Application submitted by: County of Monterey (jurisdiction)

*Click on the box, drop-down menu or text box to enter information.*

### APPLICATION FORMS

<table>
<thead>
<tr>
<th>Application Forms</th>
<th>Required or &quot;Select&quot;</th>
<th>Documentation located on Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Summary</td>
<td>Required</td>
<td></td>
</tr>
<tr>
<td>Joint Powers Agreement/MOU (if applicable)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Section 504 Self Evaluation</td>
<td>YES</td>
<td></td>
</tr>
</tbody>
</table>

### THRESHOLD DOCUMENTATION

| ThresholdRequirement Forms                           | Required             |                                  |
| Debarment Eligibility                                | Not on Debarment     |                                  |
| Housing Element Compliance as of March 31, 2012 (just prior to application submittal deadline) | In Compliance        |                                  |
| Growth Control Information                           | No Restricting Ord   |                                  |
| Statement of Assurances                              | Required             |                                  |
| Compliance with OMB Circular A-133                   | Required             |                                  |
| Citizen Participation Documentation                  | Required             |                                  |
| Original Resolution(s) of the Governing Body         | Required             |                                  |

### GRANT ADMINISTRATIVE CAPACITY

| Previous CDBG Grant(s) and History of Clearing Special Conditions | Yes                   |                                  |
| Grant Administration Capacity Documentation             | In-house staff        |                                  |
| Reporting History                                        | Required              |                                  |
| Audit and/or Monitoring Compliance documentation        | Required              |                                  |

### INDIVIDUAL ACTIVITY

| HOUSING REHABILITATION: MFH Acquisition/Rehabilitation Project | Required |
| Planning & Technical Assistance                            | Required |

Required
### 2012 CDBG APPLICATION

**Application Summary**

### APPLICATION SUMMARY - Table Of Contents

<table>
<thead>
<tr>
<th>OTHER (Use for Native American and/or Colonia Activities if applicable)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>Required</td>
</tr>
<tr>
<td></td>
<td>Required</td>
</tr>
<tr>
<td></td>
<td>Required</td>
</tr>
</tbody>
</table>

**NOTE:** This Application Table of Contents must be submitted with the completed application package. All items listed must be submitted in the order listed. Enter the page number(s) for each item that is included in the application. **Incomplete applications may not meet threshold review requirements.** You can add additional rows to any form in the application if you need more space.
**A. Application Information**

<table>
<thead>
<tr>
<th>Jurisdiction Name: <strong>County of Monterey</strong></th>
<th>DUNS #: <strong>831023937</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address: <strong>168 West Alisal St., 3rd Floor</strong></td>
<td>EIN/TIN #: <strong>94-0000524</strong></td>
</tr>
<tr>
<td>City: <strong>Salinas</strong> State: <strong>CA</strong> Zip Code: <strong>93901</strong></td>
<td></td>
</tr>
</tbody>
</table>

Is this application being submitted on behalf of more than one jurisdiction?

- [ ] NO
- [x] YES Complete the following. *(Please note that the implementation of a Joint Powers Agreement or Memorandum of Understanding between the applicants is required.)*

  Second Jurisdiction’s Name: ____
  Address: ____ JPA or MOU on Page: ____
  City: ____ State: ____ Zip Code: ____

**B. Authorized Representative Information (per the Resolution)**

<table>
<thead>
<tr>
<th>Name: <strong>Jim Cook</strong></th>
<th>Title: <strong>Director of Economic Development</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone: <strong>(831) 755-5390</strong> Ext: ____</td>
<td>FAX: <strong>(831) 755-5398</strong></td>
</tr>
<tr>
<td>E-mail: <strong><a href="mailto:cookj@co.monterey.ca.us">cookj@co.monterey.ca.us</a></strong></td>
<td></td>
</tr>
</tbody>
</table>

- [x] Check here if address information is the same as above; if not, fill in information below.

  Address: ____
  City: ____ State: ____ Zip Code: ____

**Sign Here:**

Signature: _______________________________ Date: __________________________
C: Jurisdictional Contact Information (must be jurisdiction staff)

☐ Check here if address and contact person is the same as the Authorized Representative information is the same as above; if not, fill in information below.

Name: Jane Rovery Barr  Title: Program Manager
Agency: County of Monterey, Economic Development Department
Address: 68 West Alisal St., 3rd Floor

City: Salinas  State: CA  Zip Code: 93901
Phone: (83) 755-5389  E-mail: barrj@co.monterey.ca.us  FAX: (831) 755-5398

D: Legislative Representative Information

<table>
<thead>
<tr>
<th></th>
<th>District #</th>
<th>First Name</th>
<th>Last Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembly</td>
<td>27th</td>
<td>William</td>
<td>Monning</td>
</tr>
<tr>
<td>Senate</td>
<td>12th</td>
<td>Anthony</td>
<td>Cannella</td>
</tr>
<tr>
<td>Congress</td>
<td>17th</td>
<td>Sam</td>
<td>Farr</td>
</tr>
<tr>
<td>Assembly</td>
<td>28th</td>
<td>Luis</td>
<td>Alejo</td>
</tr>
<tr>
<td>Senate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congress</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Assembly</td>
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<td></td>
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<tr>
<td>Senate</td>
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<td></td>
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</tr>
<tr>
<td>Congress</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 2012 CDBG APPLICATION

**Application Summary**

**APPLICATION SUMMARY - Forms**

#### E. Requested Funding for All Proposed Activities

*Note: See instructions for funding limitations.*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount Requested</th>
<th>Activity Administrator</th>
<th>Target Populations*</th>
<th>Result of PTA grant / Phase of previously funded activity?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL ADMINISTRATION (TOTAL)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Maximum of 7.5% of total funding requested)</td>
<td>$ 76,820</td>
<td>☑ Applicant Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ Combination</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### ACTIVITIES (UP TO 3 TOTAL ALLOWED)

**Activity Name:** Housing Rehabilitation (MFH Acq/Rehab): Camphora Highlands

<table>
<thead>
<tr>
<th>Activity Amount</th>
<th>Activity Delivery</th>
<th>Activity TOTAL</th>
<th>Target I.D. #:</th>
<th>Yes/No Grant #</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 910,150</td>
<td>$ 14,650</td>
<td>$ 925,000</td>
<td>7.18</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>165+</td>
<td></td>
</tr>
</tbody>
</table>

**Activity Name:** Planning & Technical Assistance: Regional Cut Flower Shipping Consolidation Study

<table>
<thead>
<tr>
<th>Activity Amount</th>
<th>Activity Delivery</th>
<th>Activity TOTAL</th>
<th>Target I.D. #:</th>
<th>Yes/No Grant #</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 31,680</td>
<td>$ 2,900</td>
<td>$ 34,580</td>
<td>4.7.18</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2.486</td>
<td></td>
</tr>
</tbody>
</table>

**Activity Name:**

<table>
<thead>
<tr>
<th>Activity Amount</th>
<th>Activity Delivery</th>
<th>Activity TOTAL</th>
<th>Target I.D. #:</th>
<th>Yes/No Grant #</th>
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</table>

**Activity Name:**

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<th>Activity Amount</th>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Name:</td>
<td>Activity Amount</td>
<td>Activity Delivery</td>
<td>Activity TOTAL</td>
<td>Target I.D. #:</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------</td>
<td>-------------------</td>
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</tr>
</tbody>
</table>

### TOTAL Funding Requested

$1,036,400

($2,000,000 Maximum including General Admin.)

In the column Target Populations above, enter the primary number(s) that correspond to the target population(s) that each activity will specifically address. For example, a homeless shelter will most likely serve many target populations shown, but the primary target population will be the homeless.

1. Physically Disabled
2. Persons with AIDS
3. Youths
4. Single Adults
5. Single Men
6. Single Women
7. Families
8. Farmworkers
9. Seniors
10. Mentally Ill
11. Veterans
12. Substance Abusers
13. Victims of Domestic Violence
14. Dually Diagnosed
15. Prevent Homelessness
16. Help the Homeless
17. Help those with HIV/AIDS
18. Other

See Following Page to List Native American or Colonia Activities
The Department will review each application to determine whether the application meets all of the eligibility threshold criteria. Applications that meet all of the threshold criteria will be eligible to be rated and ranked.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Debarment

Is the applicant jurisdiction on the Federal Excluded Parties List (www.epis.gov)?

- If Yes, the applicant is not eligible to receive federal funding.
- No.

The applicant has included a copy of the search on page(s): ____

### Housing Element Compliance

Does applicant have a Housing Element in compliance with CDBG requirements as of the application submittal deadline?

If No, then the applicant is not eligible to receive funding. The Department will verify CDBG compliance with HPD as of April 6, 2012.

### Growth Control

Has the applicant jurisdiction enacted limitations on residential construction, which includes limitations other than establishing agricultural preserves, or limitations imposed by another agency, or limitations not based on a health and safety need?

- If No, skip to next section.

If yes, do these limitations meet any of the exceptions found in State CDBG Program Regulations, Section 7056(b)(2)(B)?

- If "Yes" to the exceptions, the applicant has included a copy of the limitation with this application on page(s): ____
- If "No" to the exception, the applicant jurisdiction is not eligible to receive federal funding.

### Statement of Assurances

Applicant has included the correct version (revised 2012) of the Statement of Assurances, signed by the chief executive officer of the applicant jurisdiction.

### Compliance with OMB Circular A-133

Applicant has included a signed OMB Certification.
### 2012 NOFA APPLICATION
*Application Summary*

### THRESHOLD REQUIREMENTS - Forms

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**Citizen Participation**

Applicant has met all the Public Hearings/Citizen Participation requirements, such as:

- Public notices published in a local newspaper announcing the public hearings and containing the required information, as stated in the CDBG Grant Management Manual.

- At least one public hearing was held during the program design phase of the application.
  - Design Hearing was published/posted on **1/28/12**; and,
    - Documentation is included on page(s): ___
  - Design Hearing was held on **February 8, 2012**; and
    - Documentation is included on page(s): ___

- At least one public hearing was held to approve submittal of the application.
  - Application Submittal Hearing was published/posted on **March 14, 2012**; and,
    - Documentation is included on page(s): ___
  - Application Submittal Hearing was held on **March 27, 2012**; and,
    - Documentation is included on page(s): ___

- Sign-in sheets and all documentation are in the public information file and available for review and monitoring; and,

- Written comments received during the public hearing process are included with the application along with any responses on page(s): ___
## THRESHOLD REQUIREMENTS - Forms

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

### Resolution(s) of the Governing Body

Applicant has included a Resolution (sample in Appendix I) that:

- Is an original or an original certified copy; and
- Authorizes submission of the application; and
- Approves the application's contents (funding requested, activities, committed leverage, etc.); and
- Authorizes the execution of a grant agreement, and any amendments thereto, if funded; and
- Designates a person (by name and title) authorized to enter into an agreement, if funded; and
- Designates persons (by names and titles) authorized to sign all reports, Funds Requests and other program-supporting documentation.

---

After the application due date, the Department will not consider unsolicited information from an applicant. However, the Department may contact an applicant to clarify an item in the application. Applicants should note that the Department will not seek clarification of items or responses that improve the substantive quality of the applicant's response to any eligibility or selection criterion.

I certify on behalf of the County of Monterey (name of entity) that the Threshold information provided is true and accurate.

**Authorized Representative (per the Resolution):**

| Jim Cook (Printed/Typed Name) | Director of Economic Development (Title) |

(Signature) (blue ink) (Date signed)
The City/County of Monterey hereby assures and certifies that:

1. **Legal Authority** - It possesses legal authority to apply for the grant and to execute the proposed program.

2. **Application Authorization** - Its governing body has duly adopted or passed as an official act or resolution, motion, or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the applicant's chief executive officer or other designee to act in connection with the application and to provide such additional information as may be required.

3. **Citizen Participation** - It has or will comply with all citizen participation requirements, which include, at a minimum, the following components:
   
   A. Provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which CDBG funds are proposed to be used, and provides for participation of residents in low- and moderate-income neighborhoods as defined by the local jurisdiction; and,

   B. Provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by CDBG regulations, and relating to the actual use of funds under this title; and,

   C. Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee; and,

   D. Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program. These include at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries and with accommodation for the handicapped. This shall include one public meeting during the program design, annual performance report preparation, and formal amendments. A public hearing shall be conducted prior to application submittal; and,
E. Solicits and provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and,

F. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can reasonably be expected to participate.

4. **National Objective** - The CDBG Program has been developed so as to primarily benefit targeted income persons and households, and each activity in the program meets one of the three national objectives: benefit to low- and moderate-income persons, elimination of slums and blight, or meets an urgent community need certified by the grantee as such.

5. **NEPA Environmental Review** - Consents to assume the responsibilities for environmental review and decision-making in order to ensure compliance with NEPA by following the procedures for recipients of block grant funds as set forth in 24 CFR, Part 58, titled "Environmental Review Procedures for Title I Community Development Block Grant Programs." Also included in this requirement is compliance with Executive Order 11988 relating to the evaluation of flood hazards, and Section 102(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234) regarding purchase of flood insurance, and the National Historic Preservation Act of 1966 (16 USC 470) and implementing regulations (36 CFR 800.8).

6. **CEQA** - Consents to assume the role of either Lead Agency as defined by Section 21067 of the California Public Resources Code, or if another public agency is or will be designated Lead Agency, it consents to assume the role of Responsible Agency as defined by Section 21069 of the California Public Resources Code, in order to ensure compliance with CEQA.

7. **Audit/Performance Findings** - Has resolved any audit findings or performance problems for prior CDBG grants awarded by the State.

8. **Growth Control** - Certifies that there is no plan, ordinance, or other measure in effect which directly limits, by number, the building permits that may be issued for residential construction or the buildable lots which may be developed for residential purposes; or if such a plan, ordinance, or measure is in effect, it will either be rescinded before receiving funds, or it need not be rescinded because it:

A. Imposes a moratorium on residential construction, to protect the health and safety, for a specified period of time which will end when the public health and safety is no longer jeopardized; or,
STATEMENT OF ASSURANCES (2012) – Forms

B. Creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 2 of Division 1 of Title 5 of the Government Code; or,

C. Was adopted pursuant to a specific requirement of a State or multi-State board, agency, department, or commission; or,

D. The applicant has an adopted housing element which the Department has found to be in compliance, unless a final order has been used by a court in which the court determined that it is not in compliance with Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code; or,

E. The use of the funds applied for in this application is restricted for housing for the targeted income group.


☐ 10. Nondiscrimination - Shall comply with the following regarding nondiscrimination:

A. Title VI of the Civil Rights Act of 1964 (Public Law 88-352).

B. Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) as amended; and will administer all programs and activities related to housing and community development in a manner affirmatively furthering fair housing.

C. Section 109 of the Housing and Community Development Act of 1974, as amended.

D. Section 3 of the Housing and Urban Development Act of 1968, as amended.

E. Executive Order 11246, as amended by Executive Orders 11375 and 12086.

F. Executive Order 11063, as amended by Executive Order 12259.

G. Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), as amended, and implementing regulations.


I. The prospective contractor's signature affixed hereon and dated shall constitute a certification under the penalty of perjury under the laws of
STATEMENT OF ASSURANCES (2012) - Forms

the State of California that the bidder has, unless exempted, complied with
the nondiscrimination program requirements of Government Code Section
12990 and Title 2, California Code of Regulations, Section 8103.
11. Anti-Displacement/Relocation - Will comply with the Federal Relocation Act (42 U.S.C. 4601 et seq.) and certifies that it will follow the state’s residential anti-displacement and relocation plan located in Appendix E of the State’s 2011-2012 Annual Plan. The Plan can be found at: Annual Plan Update 2011-2012

12. Labor Standards - Will comply with the following regarding labor standards:

A. Section 110 of the Housing and Community Development Act of 1974, as amended.

B. Section 1720 et seq. of the California Labor Code regarding public works labor standards.

C. Davis-Bacon Act as amended (40 USC. 276a) regarding prevailing wage rates.

D. Contract Work Hours and Safety Standards Act (40 USC 3702) regarding overtime compensation.

E. Anti-Kickback Act of 1934 (41 USC 51-58) prohibiting "kickbacks" of wages in federally assisted construction activities.


14. Conflict of Interest - Will enforce standards for conflicts of interest which govern the performance of their officers, employees, or agents engaged in the award and administration, in whole or in part, of State CDBG grant funds (Section 7126 of the State regulations).

15. Limitations on Political Activities - Will comply with the Hatch Act (5 USC 1501 et seq.) regarding political activity of employees.

16. Lead-Based Paint - Will comply with the Lead-Based Paint Regulations (24 CFR Part 35) which prohibits the use of lead-based paint on projects funded by the program.

17. Debarred Contractors - The applicant or its staff are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal assistance programs, in any proposal submitted in connection with the CDBG program, per the Excluded Party List System (www.epis.gov). In addition, the applicant will not award contracts to or otherwise
engage the services of any contractor while that contractor (or its principals) is
debarrered, suspended, proffered for debarment, declared ineligible, or voluntarily
excluded from participation from the covered transaction, in any proposal submitted
in connection with the CDBG program under the provisions of 24 CFR part 24.

18. **Inspection of Grant Activities** - Will give HUD, the Comptroller General, the State
Department of Housing and Community Development, or any of their authorized
representatives access to and the right to examine all records, books, papers, or
documents related to the grant.

19. **Cost Recovery** - Will not attempt to recover any capital costs of public
improvements assisted in whole or in part with CDBG funds by assessing
properties owned and occupied by targeted income persons unless:

A. CDBG funds are used to pay the proportion of such assessment
that relates to non-CDBG funding; or,

B. For the purposes of assessing properties owned and occupied by
targeted income persons who are not of the lowest targeted income group, it
does not have sufficient CDBG funds to comply with the provisions of “a”
above.

20. **Procurement** - Will follow the federal procurement policies per 24 CFR Sec. 85.36

21. **Excessive Force** - Will adopt and enforce policies:

A. Prohibiting the use of excessive force by its law enforcement
agencies against individuals engaged in non-violent civil rights
demonstrations; and,

B. Enforcing applicable State and local law against physically barring
entrance to or exit from a facility or location which is the subject of such non-
violent civil rights demonstration within its jurisdiction.

22. **Compliance with Laws** - The jurisdiction will comply with applicable laws.

*The Certification is made under penalty of perjury under the laws of the State of California.*

**NAME OF CERTIFYING OFFICIAL:**

Dr. Lew Bauman (print/type)

**CHIEF ADMINISTRATIVE EXECUTIVE:**
County Administrative Officer (enter exact title of person signing)
## SECTION 504 SELF-EVALUATION

**Applicant:** County of Monterey

### AREAS DISCUSSED

<table>
<thead>
<tr>
<th>COMMUNICATIONS: (Program Publicity)</th>
<th>PROBLEMS</th>
<th>MODIFICATIONS MADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Notices and ads in newspaper?</td>
<td>yes / no</td>
<td></td>
</tr>
<tr>
<td>Public Service Announcements?</td>
<td>yes / no</td>
<td></td>
</tr>
<tr>
<td>Posters or fliers?</td>
<td>yes / no</td>
<td></td>
</tr>
<tr>
<td>Letters to homeowners in area?</td>
<td>yes / no</td>
<td></td>
</tr>
<tr>
<td>Informational public meetings?</td>
<td>yes / no</td>
<td></td>
</tr>
<tr>
<td>Interpreters, readers, or TDD's available upon request?</td>
<td>yes / no</td>
<td></td>
</tr>
<tr>
<td>Equal Opportunity statement in ads, fliers, letters?</td>
<td>yes / no</td>
<td></td>
</tr>
</tbody>
</table>

### EMPLOYMENT:

| Does the city make reasonable accommodation to known physical or mental limitations of qualified applicants or employees with handicaps? | yes / no |                    |
| Pre-employment inquiries and tests do not screen out handicapped persons? | yes / no |                    |

### PROGRAM ACCESSIBILITY:

| Are City/County facilities accessible to and usable by individuals with handicaps (for example: ramps, space at meetings)? | yes / no |                    |
| Handicap modifications offered in rehabilitation program? | yes / no | |
| Handicapped individuals with limited mobility assisted with applications at their homes? | yes / no | |

### ENFORCEMENT - Evaluate how policies meet 504 requirements:

| Statement of Assurances in grant applications? | yes / no |                    |
| Non-discrimination clause in deed of trust? | yes / no |                    |
| Names of Advisors on Handicapped issues: | **Irma Ramirez-Bough** | |
| City/County has procedures for complaints? | yes / no | |
| Is log maintained of any complaints? | yes / no | |

---

Name of Section 504 Coordinator: **Irma Ramirez-Bough**

Signature: [Handwritten Signature]

Date Signed: **3-13-10**
2012 NOFA APPLICATION  
Application Summary  

SECTION 504 SELF-EVALUATION  

**Section 504 Self-Evaluation:**

HUD requires jurisdictions to have documented their compliance with Section 504.

Applicants must attach a **Section 504 Self-Certification Form** with their Application Package. It is important to note that the form itself does not constitute the jurisdiction's efforts to meet Section 504 requirements. The jurisdiction should have performed an analysis and evaluation of each factor and prepared a Section 504 Plan.

The following self-certification form should be used with this application to certify that the jurisdiction has performed this analysis and evaluation and to record areas of compliance or problems. Please complete this form, sign and date it, and include it as part of this application.

>>See the CDBG Grant Management Manual Chapter 4 for additional information<<

Pursuant to the requirements of OMB Circular A-133, please check the appropriate statement and certify at the bottom of the page:

- [x] The County of Monterey (name of entity) has expended more than $500,000 in Federal funds in fiscal year 2010/2011 and is required to conduct a single audit or program specific audit for this year in accordance with the provisions of OMB Circular A-133:
  - The audit has been completed and has been submitted to the appropriate control agency. (Proof of submittal must be submitted with this form and the application. Failure to do so may result in denial of CDBG funding.)

- [ ] The _____ (name of entity) has expended less than $500,000 in federal funds in fiscal year 2010/2011 and is exempt from the requirements of OMB Circular A-133. Non-Federal entities that expend less than $500,000 a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and the General Accounting Office. (Submit proof of this statement, such as evidence of sending the exemption letter to SCO, with this form and the application)

I certify on behalf of the County of Monterey (name of entity) that the above is a true and accurate statement.

Jim Cook  
(Printed/Typed Name of Authorized Representative)

Director of Economic Development  
(Title)

(Signature) (blue ink)  
(Date signed)
Questions A through E in the following “Capacity and Past Performance” section must be filled in on all applications as part of the Rating & Ranking process. Up to 200 points will be awarded under this section. All applicants must answer the questions and include supporting documentation.

A. Did the applicant have any CDBG Economic Development, Community Development (formerly known as General), Native American, or Colonia grant experience for the years 2009 or 2010? (Do not include PTA grants)

☐ Yes. Identify which CDBG Allocation(s) and the applicable funding year(s).

☐ Community Development Allocation.

   Funding Year(s): _____
   Grant #s: _____

☐ Economic Development Allocation.

   Funding Year(s): _____
   Grant #s: _____

☐ Colonia Allocation.

   Funding Year(s): _____ Grant #s: _____

☐ Native American Allocation.

   Funding Year(s): _____ Grant #s: _____

☒ No. Have not had any CDBG grants in 2006-2009.

B. If funded from this application, how will this grant be administered? Who will carry out the grant’s General Administrative activities?

☒ In-House Staff Only: (Attach resumes and duty statements of staff that will be performing the work, and a “Responsibility Chart” (much like an Organization Chart) showing internal controls, management oversight, and which staff will be working on CDBG activities and describing their specific CDBG responsibilities.)

☒ Supporting documentation on page(s): _____

☐ Subrecipient Agreement:

☐ Draft ☐ Executed. Term of the Agreement: _____

☐ Other: _____

☐ Supporting documentation on page(s): _____
C. Fill in the chart below to indicate past performance of Grant Reporting. In order to receive full points, the reports and close-out documentation listed in the chart below, if applicable to your jurisdiction's grants within the last two years, must be received by the Department by the application deadline in order to check "No Reports Missing." Include supporting documentation to verify compliance.

<table>
<thead>
<tr>
<th>Report Type</th>
<th>2009-10 Grants</th>
<th>2010-11 Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Financial and Accomplishment Report (FAR):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ No reports missing</td>
<td>□ No reports missing</td>
<td></td>
</tr>
<tr>
<td>□ Missing report</td>
<td>□ Missing report</td>
<td></td>
</tr>
<tr>
<td>× N/A</td>
<td>× N/A</td>
<td></td>
</tr>
<tr>
<td>Annual Grantee Performance Report (GPR):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ No missing reports</td>
<td>□ No missing reports</td>
<td></td>
</tr>
<tr>
<td>□ Missing any reports</td>
<td>□ Missing any reports</td>
<td></td>
</tr>
<tr>
<td>× N/A</td>
<td>× N/A</td>
<td></td>
</tr>
<tr>
<td>Semi-Annual and Annual Program Income Reports:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ 100% submitted</td>
<td>□ 100% submitted</td>
<td></td>
</tr>
<tr>
<td>□ Missing any reports</td>
<td>□ Missing any reports</td>
<td></td>
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<td></td>
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<tr>
<td>Semi-annual and Annual Economic Development Progress Report:</td>
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</tr>
<tr>
<td>× N/A</td>
<td>× N/A</td>
<td></td>
</tr>
</tbody>
</table>
D. Fill in the chart below to indicate past performance of Clearing Special Conditions. In order to receive full points on the second chart, Special Conditions must have been cleared within 90 days, regardless of receiving an extension from the Department.

<table>
<thead>
<tr>
<th>Semi-annual and Annual Wage Compliance Reports:</th>
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<tbody>
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<td>□ 100% submitted</td>
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<tr>
<td>□ Missing any reports</td>
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<table>
<thead>
<tr>
<th>Grant Close-out Documentation:</th>
<th>Grant Close-out Documentation:</th>
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<tbody>
<tr>
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<td>□ Missing any reports</td>
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<tr>
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<table>
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<tr>
<th>Section 3 Report:</th>
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<tbody>
<tr>
<td>□ No missing reports</td>
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### Timely Clearance of Special Conditions

<table>
<thead>
<tr>
<th>For Grant # 08-STBG-4835</th>
<th>For Grant # NA</th>
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<tbody>
<tr>
<td>× All Special Conditions cleared within 90 days.</td>
<td>□ All Special Conditions cleared within 90 days.</td>
</tr>
<tr>
<td>□ If more than 90 days</td>
<td>□ If more than 90 days</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For Grant # NA</th>
<th>For Grant # NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ All Special Conditions cleared within 90 days.</td>
<td>□ All Special Conditions cleared within 90 days.</td>
</tr>
<tr>
<td>□ If more than 90 days</td>
<td>□ If more than 90 days</td>
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</table>
E. In the Audit and Monitoring Chart below, fill in the grant number of any CDBG monitoring visit, regardless of whether or not there were any Monitoring Findings. Include the grant number and the date of the Monitoring Visit. Also fill in any year (within the last two fiscal years) in which your jurisdiction had a Single Audit Report (SAR), as required by OMB A-133, with one or more Findings that related to CDBG.

<table>
<thead>
<tr>
<th>Compliance in Clearing of Monitoring and Audit Findings</th>
<th>Audit Findings Regarding CDBG</th>
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<tbody>
<tr>
<td><strong>Monitorings</strong></td>
<td><strong>For Year 2009-2010</strong></td>
</tr>
<tr>
<td>For Grant # NA</td>
<td>Single Audit Report included one or more CDBG-related Findings</td>
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<tr>
<td>Date of Monitoring Visit: _____</td>
<td>Jurisdiction responded to Audit Finding Report within prescribed timeline</td>
</tr>
<tr>
<td>□ Jurisdiction responded to Monitoring Report within prescribed timeline</td>
<td>□ Responded in more than prescribed timeline but with Department Approval</td>
</tr>
<tr>
<td>□ Responded in more than prescribed timeline but with Department Approval</td>
<td>□ Responded in more than prescribed timeline without Department Approval</td>
</tr>
</tbody>
</table>

| For Grant # NA                                         | **For Year 2010-2011**         |
| Date of Monitoring Visit: _____                        | Single Audit Report included one or more CDBG-related Findings |
| □ Jurisdiction responded to Monitoring Report within prescribed timeline | Jurisdiction responded to Audit Finding Report within prescribed timeline |
| □ Responded in more than prescribed timeline but with Department Approval | □ Responded in more than prescribed timeline but with Department Approval |
| □ Responded in more than prescribed timeline without Department Approval | □ Responded in more than prescribed timeline without Department Approval |
## 2012 NOFA APPLICATION
### Application Summary

### ALL ACTIVITIES - ALL FUNDING SOURCES

<table>
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<tr>
<th>ACTIVITY</th>
<th>USES</th>
<th>SOURCES</th>
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<tr>
<td></td>
<td>State and Federal</td>
<td>Other Funding Sources</td>
</tr>
<tr>
<td></td>
<td>State CDBG Funds</td>
<td>Program Income Available:</td>
</tr>
<tr>
<td></td>
<td>(Total uncommitted RLA funds available)</td>
<td>Other State Funds</td>
</tr>
<tr>
<td>General Administration</td>
<td>$76,820</td>
<td>$</td>
</tr>
<tr>
<td>Camphora Highlands Activity</td>
<td>$910,150</td>
<td>$</td>
</tr>
<tr>
<td>Camphora Highlands Activity Delivery</td>
<td>$14,850</td>
<td>$</td>
</tr>
<tr>
<td>Camphora Highlands Acquis. Owner Equity</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Regional Flower Shipping Study Activity</td>
<td>$31,680</td>
<td>$</td>
</tr>
<tr>
<td>Regional Flower Shipping Study Act. Del</td>
<td>$2,900</td>
<td>$</td>
</tr>
<tr>
<td>Regional Flower Shipping Study Match</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Totals:**
- State CDBG Funds: $1,036,400
- Program Income Available: $1,036,400
- Other State Funds: $1,820
- Federal Funds: $749,820
- Local Funds: $1,788,040
Excluded Parties

List System Verification
Search Results Excluded By
Firm, Entity, or Vessel: South County Housing
Firm, Entity, or Vessel: South County Housing Corporation
Firm, Entity, or Vessel: South County Housing Property Management
as of 17-Jan-2012 2:57 PM EST

Your search returned no results.
Search Results Excluded By
Firm, Entity, or Vessel : South County Housing, Inc.
Firm, Entity, or Vessel : SCH, Inc.
Firm, Entity, or Vessel : South County Housing
Firm, Entity, or Vessel : South County Housing Incorporated
as of 05-Mar-2012 5:11 PM EST

Your search returned no results.
COMPLIANCE WITH

OMB CIRCULAR A-133
Hi Rupa,

As the report been finalized yet? I need a copy of the confirmation letter for a grant application. On a related note, does the County submit a copy of the report to the State Controller's Office?

Thanks,

Darby

---

From: Shah, Rupa x5099  
Sent: Wednesday, January 18, 2012 2:48 PM  
To: Bouchard, Carol J. x5387  
Cc: Marshall, Darby 755-5391; Osoteo, Juliet x5089  
Subject: RE: Proof of 2010/11 Audit Submission

The report is not finalized. Gallina is working on it. The expected completion is in February.

Rupa

---

From: Bouchard, Carol J. x5387  
Sent: Wednesday, January 18, 2012 12:09 PM  
To: Shah, Rupa x5099  
Cc: Marshall, Darby 755-5391  
Subject: FW: Proof of 2010/11 Audit Submission

Hi Rupa, can you provide proof that the Single Audit was provided to the State? Thanks.

---

From: Marshall, Darby 755-5391  
Sent: Wednesday, January 18, 2012 12:03 PM  
To: Bouchard, Carol J. x5387  
Subject: Proof of 2010/11 Audit Submission

Carol,

Jane and I are putting together a CDBG application and need proof that the County submitted the Single Audit required by OMB Circular A-133 for FY2010/11. Would you please get a copy of the confirmation or point me in the correct direction to get it?

Thanks,

Darby

2/24/2012
DESIGN PHASE

PUBLIC HEARING
Salinas Newspapers, Inc.
123 W. Alisal St.
Salinas, CA 93901
831-754-4136/Fax: 831-754-7155
State Of California ss:
County of Monterey

Advertiser:
MONTEREY CO HOUSING & REDEV(LEG
168 W ALISAL ST FL 3
SALINAS, CA 93901:

K. Antonio Torres

RE: NOTICE OF PUBLIC HEARING COMMUNITY DEVELOPMENT
210896/495.00

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I hereby certify that the attached advertisement appeared in said newspaper on the following dates:

Newspaper: Salinas Californian

1/28/2012

I acknowledge that I am a principal clerk of the printer of said paper, which is published in the City of Salinas, County of Monterey, State of California. The Salinas Californian is printed and published daily, except Sunday and has been adjudged a newspaper of general circulation by the Superior Court of the County of Monterey, State of California. El Sol is printed and published weekly on Saturday and has been adjudged a newspaper of general circulation by the Superior Court of Monterey, State of California.

I certify (or declare) under penalty of perjury that the foregoing is true and correct. Executed on this 26 day of Jan., 2012 at Salinas, California.

C. Clark
Declarant
# HOUSING ADVISORY COMMITTEE

## SIGN-IN SHEET

### MEETING DATE: February 8, 2012

<table>
<thead>
<tr>
<th>COMMITTEE MEMBERS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTENDED</td>
</tr>
<tr>
<td>YES</td>
</tr>
<tr>
<td>✔</td>
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### OTHERS PRESENT:

<table>
<thead>
<tr>
<th>NAME (Please Print):</th>
<th>ORGANIZATION (Please Print):</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAREN ARAUJO</td>
<td>New HAC Member</td>
</tr>
<tr>
<td>Jane Ross Barr</td>
<td>Montgomery County Planning</td>
</tr>
<tr>
<td>Fiorello M. W.</td>
<td>MO CD Plann Dev</td>
</tr>
<tr>
<td>Marco Nash</td>
<td>MO Co Soc Dev</td>
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</tbody>
</table>
# HOUSING ADVISORY COMMITTEE
## SIGN-IN SHEET

**MEETING DATE:** February 8, 2012

<table>
<thead>
<tr>
<th>OTHERS PRESENT:</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME (Please Print):</td>
</tr>
<tr>
<td>SETH CAPRON</td>
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<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
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<tbody>
<tr>
<td>SETH CAPRON</td>
<td>SOUTH COUNTY HOUSING</td>
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</tbody>
</table>
APPLICATION PHASE

PUBLIC HEARING
NOTICE OF PUBLIC HEARING FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
APPLICATION SUBMITTAL PHASE

NOTICE IS HEREBY GIVEN that the County of Monterey will conduct a public hearing by the County Board of Supervisors on March 27, 2012, at 1:30 p.m. at the Board of Supervisors Chambers, 168 West Alisal Street Salinas, CA to consider the 2012 Community Development Block Grant (CDBG) application and to solicit citizen input on the application.

The Economic Development Department, on behalf of the County of Monterey, is applying for a $1,036,400 grant under the 2012 General Allocation Component for Housing Rehabilitation and Economic Development Component of the State CDBG program for the following eligible activities: Housing Rehabilitation: Multifamily Housing Acquisition/Rehabilitation loan to South County Housing, Inc., for the Camphora Farm Labor Camp (located in the unincorporated area of Monterey County near the City of Soledad); and a Planning and Technical Assistance Study to evaluate the feasibility of a regional cut flower shipping consolidation facility.

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to the County of Monterey, Economic Development Department 168 West Alisal St, 3rd Floor, Salinas CA 93901 or you may telephone Mr. Darby Marshall at (831) 755-5390 with questions or comments. In addition, a CDBG public information file is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. weekdays

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, or have a need for an interpreter, please contact the Economic Development Department at (831) 755-5390 to arrange for those accommodations to be made. Notification 72 hours prior to the meeting will enable the County to make reasonable accommodations to assure accessibility at the meeting.

The County of Monterey promotes fair housing and makes all programs available to low- and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

Publish March 14, 2012
Attached, please find the ad proof and quote for the Notice to run one day, March 14.

Thanks,

Teri James

LEGAL ADVERTISING/ OBIT COORDINATOR

From: Galvan, Flor [mailto:galvanf@co.monterey.ca.us]
Sent: Monday, March 12, 2012 1:11 PM
To: Clark, Charlene
Cc: Marshall, Darby 755-5391; Barr, Jane x5389
Subject: Public Hearing for CDBG Application Submittal Phase

Hi Charlene,

Please publish the attached “Notice of Public Hearing for a CDBG 2012 Application Submittal Phase”.

Let me know if you have any questions.

THE CALIFORNIAN: Please publish the attached notice once on Wednesday, March 14, 2012.

Please confirm receipt of this request via email and confirm that this notice can be published once on Wednesday, March 14, 2012.

Proof of Publication/Certification is required by mail. As such, please send to: County of Monterey, Redevelopment and Housing Office, 168 W. Alisal Street, 3rd Floor, Salinas, CA 93901.

Thank you.

Flor Galvan, Senior Secretary
Economic Development Department/Workforce Investment Board
168 W. Alisal Street, 2nd Floor | Salinas, CA 93901 | Telephone: (831) 796-6434 | Facsimile: (831) 755-5398 | galvanf@co.monterey.ca.us
# Order Confirmation For Ad #0000216174

**Customer #** 702810SC  
MONTEREY CO HOUSING & REDEVELOPMENT  
168 W ALISAL ST FL 3  
SALINAS CA 93901-2487 USA  
**Customer Phone:** 831-755-5399

**PO Number:**  
**Ordered By:** Karina  
**Customer Fax:** 831-755-5398  
**Special Pricing:** None  
**Sales Rep:** cdclark  
**Order Taker:** cdclark  
**Order Source:** E-mail

### Tear Sheets  Proofs  Affidavits @ $10.00  Blind Box  Promo Type  Materials  Ad Order Notes  Invoice Text

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<th>Tear Sheets</th>
<th>Proofs</th>
<th>Affidavits</th>
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<th>Promo Type</th>
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- **Net Amount:** $297.00  
- **Tax Amount:** $0.00  
- **Total Amount:** $297.00  
- **Payment Amount:** $0.00  
- **Amount Due:** $297.00

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### External Ad Number  Ad Attributes  Ad Released  Pick Up

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**NOTICE OF PUBLIC HEARING FOR COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION SUBMITTAL PHASE**

NOTICE IS HEREBY GIVEN that the County of Monterey will hold a public hearing by the County Board of Supervisors on March 27, 2012, at 1:30 p.m. at the Board of Supervisors Chambers, 168 West Alisal Street, Salinas, CA to consider the 2012 Community Development Block Grant (CDBG) application and to solicit citizen input on the application.

The Economic Development Department, on behalf of the County of Monterey, is applying for a $1,026,450 grant under the 2012 CDBG program for the following activities: Housing Rehabilitation; Economic Development Component of the Meyer Grant Program; and the Monterey County Economic Development, pursuant to the City of Salinas, and the Monterey County Economic Development Department.

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may submit written comments to the County of Monterey, Economic Development Department, 168 West Alisal St, 3rd Floor, Salinas, CA 93901 or you may telephone Mr. Darcy Marshall at (831) 755-5390 with questions or comments. In addition, a CDBG public information flyer is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m., weekdays.

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment, or have a need for an interpreter, please contact the Economic Development Department at (831) 755-5390 to arrange for those accommodations.
<table>
<thead>
<tr>
<th>Product Information</th>
<th>Placement/Classification</th>
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<th># Inserts</th>
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<td>Salinas Californian:</td>
<td>Legals</td>
<td>9060-Public Notices</td>
<td>3/14/2012</td>
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<td>Online-Salinas:</td>
<td>Legals</td>
<td>9060-Public Notices</td>
<td>3/14/2012</td>
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</tbody>
</table>

The County of Monterey promotes fair housing and makes all programs available to less and moderate-income families regardless of age, race, color, religion, sex, marital status, or handicap.
RESOLUTION

OF

GOVERNING BODY
AUDIT AND/OR MONITORING

COMPLIANCE DOCUMENTATION

The County did not have any CDBG or HOME grants monitored in 2009 or 2010.

The County submitted Single Audits as required in 2009 and 2010. Neither Single Audit had any findings related to CDBG or HOME.
GRANT ADMINISTRATION

CAPACITY DOCUMENTATION

ORGANIZATIONAL STRUCTURE
DUTY STATEMENTS
RESUMES
DUTY STATEMENTS

Economic Development Director (ED Director) - Jim Cook
This position is authorized by the County Board of Supervisors to execute all grant agreements, amendments, reports and other documents. The Economic Development Director is responsible for the overall policy direction within the office and ensuring that the County CDBG funds support County policies to serve low- and moderate-income individuals in the County.

Assistant Director of Redevelopment and Housing (AD) - Marti Noel
This position provides day to day oversight of all activities. With regard to the CDBG program, the AD will supervise implementation of the program to ensure that it is completed in a timely manner consistent with the grant terms and conditions.

Department Finance Manager (DFM) - Carol Bouchard
This position is responsible for tracking all grant expenditures, ensuring that financial transactions are correctly posted to the County’s financial management system and reviewing all grant reports and draw requests before the ED Director signs them. The DFM is also the primary position responsible for ensuring that all CDBG expenditures are correctly categorized and reported in the County’s Single Audit. The DFM maybe assisted by other accounting staff as necessary.

Housing Program Manager (HPM) - Jane Royer Barr
This position is responsible for the day to day management of the grant. These duties include ensuring that the County implements the grant in compliance with all terms and conditions, following the County’s established procurement process, reviewing contractor work products and invoices, community relations, and preparing grant reports for the DFM to review and ED Director to sign. The HPM may be assisted by other Housing and Redevelopment staff as needed.

Redevelopment and Housing Analyst (RHA) - Darby Marshall
This position will be responsible for preparation of all program materials and documents for review by the HPM before they are submitted to the DFM and/or ED Director, or circulated for comments.
EXPERIENCE:

Jim Cook has worked for Monterey County for over 25 years. In 2011, he was appointed as the Director of Economic Development. Prior to that, he was the Director of the Redevelopment and Housing Office for twelve years. He has previously served as the LAFCO Executive Officer and Interim Director of General Services for Monterey County. Prior to working for Monterey County, Mr. Cook worked for San Diego County LAFCO.

In his current capacity as the Director of Economic Development, he is responsible for an annual budget in excess of $25 million and has a current staff of 12. The Economic Development Department is responsible for the County’s economic development policy and implementation through the Federal Workforce Investment Act (WIA); the County’s affordable housing programs; and a variety of community development efforts. The Economic Development Department is also responsible for applying for and managing grants for housing and community infrastructure activities including CDBG, HOME, EDA, NSP and WIA grants. Since 2000, the RHO has managed a total of 22 grants which have funded new housing construction, housing rehabilitation, first time home buyer programs, foreclosure prevention, economic development activities, community facilities, and infrastructure improvements.

Mr. Cook has strong program and project management capabilities in addition to being a skilled strategic thinker. Mr. Cook has developed a focused and comprehensive approach and vision related to community improvement and redevelopment efforts. Mr. Cook has an extensive background in financial planning and management which has resulted in innovative funding strategies that successfully leverage limited County resources.

EDUCATION:  Masters in Public Administration, San Diego State University  
B.A., Economics, California State University Fresno
Resume

Marti Noel

EXPERIENCE:

2007- Present  **Assistant Director**
Monterey County Redevelopment and Housing Office

Assists the Director in managing the Redevelopment and Housing Office (RHO), including three active redevelopment project areas, the County's affordable housing programs, and a variety of community development efforts. The RHO is also responsible for applying for and managing grants for housing and community infrastructure activities, including CDBG, HOME, EDA and NSP grants. Since 2000, the RHO has managed a total of 18 grants which have funded new housing construction, housing rehabilitation, first time home buyer programs, foreclosure prevention, economic development activities, community facilities, and infrastructure improvements. Oversees the Housing Advisory Committee and Redevelopment Citizen Advisory Committees. Serves as Project Manager for the more complicated affordable housing and redevelopment activities such as preparation of the Housing Element and community planning efforts.

2001-2006  **Senior Analyst**
Monterey County Redevelopment and Housing Office

Served as lead staff for the preparation of a revised Inclusionary Housing Ordinance, the Housing Element, the Castroville Community Plan, entitlement approvals for affordable housing projects, and various grant application preparation and management activities.

1994-2001  **Senior Project Manager**
Pacific Municipal Consultants (PMC)
Monterey, CA

Provided contract staff services related to planning and environmental review to various public agencies in the region. Services included project review, preparation of planning and environmental documents, and general project and program management activities.
1993-1994
Project Manager
Wildan Associates
Pleasanton, CA

Managed various planning and environmental review projects primarily for public agencies.

1991-1993
Planning Consultant
San Diego, CA

Provided contract planning services to the City of Escondido. Assignments included managing the preparation of a large specific plan, an infrastructure and facilities master plan, and a significant sphere of influence amendment.

1983-1991
Project Manager
Nolte and Associates, Engineering and Planning Consultants
San Jose, CA

Managed a variety of land development, infrastructure and environmental projects. Prepared master plans, specific plans, and environmental documents.

1982-1983
Contract Planner
City of Redwood City, CA

Assisted in the preparation of a downtown master plan and revitalization study. Assisted with various current planning efforts.

1979-1981
Assistant Planner
County of San Luis Obispo, CA

Worked with the Development Review Division processing applications, including preparing staff reports and environmental documents.

1978-1979
Assistant Landscape Architect/Planner
Site and Environmental Design Services
San Luis Obispo, CA

Assisted in the preparation of Environmental Impact Reports, site plans and landscape plans for commercial, industrial and residential projects.

EDUCATION: B.S., California Polytechnic State University San Luis Obispo, Landscape Architecture
Experience:

2009- Present  Housing Program Manager  Monterey County Redevelopment and Housing Office

Manages County's affordable housing programs including the Inclusionary Housing Program, Neighborhood Stabilization Program, and First Time Home Buyer Program. Oversees grant application preparation and management, including grant reporting. Evaluates funding requests, prepares funding documents, and manages implementation activities related to affordable housing projects. Oversees monitoring activities related to grants, loans, and restrictions. Assists in staffing the County's Housing Advisory Committee and Housing Loan Committee. Oversees the preparation of housing related documents including the Housing Allocation Manual, First Time Home Buyer Manual, and Program Income Reuse Plans.

2005 - 2009  Senior Project Manager  Mid-Peninsula Housing Coalition, Watsonville, CA

Identified and negotiated acquisition of sites. Evaluated feasibility and oversaw development of affordable housing projects in Santa Cruz and Monterey counties. Conducted financial analysis and planning. Coordinated loan applications to public and private lending agencies. Served as project liaison with all levels of government officials, lenders, and construction personnel. Managed new construction of Via del Mar, a 40-unit family development in downtown Watsonville and Parkhurst Terrace, a 68 unit project in Aptos.

1996-2005  Project Manager  Mid-Peninsula Housing Coalition, Watsonville, CA

Managed acquisition and rehabilitation of a 21-unit SRO & one-bedroom property in Santa Cruz. Co-managed acquisition and demolition/reconstruction of a farmworker camp in Watsonville. Managed acquisition of two trailer parks for conversion to permanent mobile-home parks. Structured and implemented business plans for the rehabilitation and return to public use of two military housing developments of 352 and 192 units. Managed
acquisition of 43 acres for landbanking in northern Monterey County.

1991-1996:  
**Project Analyst**  
Housing Authority of the County of Santa Cruz

Prepared grant applications and managed grants. Performed financial analysis and project administration, including placement of Red Cross funds for replacement of low-income housing lost in earthquake. Monitored bond and HUD compliance.

1981-1990:  
**Real Estate Investment Consultant**  
Independent Contractor

Provided appraisal (including current valuation of pension fund portfolios), property management, packaging and marketing of properties and trusts services and special projects for The Landsing Corp., Alquest Property Management, Kurt Reitman & Associates, and Crocker Real Estate Investment Group.

1974-1980:  
**Vice President/Consulting**  
The Landsing Corp.

Started as a research assistant and culminated as V.P. for outside consulting and appraisals, feasibility studies and financial analysis of all investment properties. Managed division of 6 people with budget of $2 million.

**EDUCATION:**  
B.A., Smith College, American Studies with a concentration in Economics  
American Institute of Real Estate Appraisers (all courses required for M.A. I. Designation)
Darby G. Marshall
(831) 755-5391
Email: marshalld@co.monterey.ca.us

Education
University of San Francisco 1993-1996
Master of Public Administration
Course work included: Economics & Finance for Public Managers; Management Planning & Control; Public Policy Analysis; Public Program Evaluation and Strategic Planning & Implementation.

Holy Names College, Oakland California 1986-1990
Bachelor of Arts in Philosophy and International Relations

Experience
County of Monterey, Resource Mgmt Agency – Office of Housing and Redevelopment 2004-Present
Redevelopment and Housing Analyst

- Responsible for developing five year planning documents for redevelopment areas.
- Analyze revenue projections and develop project implementation schedules that tie the Agency and community’s objectives to available revenues.
- Work with various County departments (County Counsel, Environmental Health, Planning, Public Works, etc.) to develop and implement projects.
- Coordinated the transition to project based budgeting.
- Monitor the Agency’s $10 million+ loan portfolio to ensure that borrowers are making agreed payments and make recommendations on loan restructuring when appropriate.
- Serve as Assistant Public Information Officer in County Emergency Operations Center when activated

County Administrative Office – IGA/ERP Office of Economic Development 1997-2004
Associate Administrative Analyst

- Responsible for budget development, grant writing and administration of staffing the overall Economic Development Commission.
- Prepared four separate budgets administered by the Office of Economic Development and developed and monitored a monthly financial tracking system to ensure that programs remained within budget; budgets included revenue and expenditures from the County General Fund and various state and federal grant programs.
- Responsible for a variety of projects and programs administered by the Office of Economic Development including ensuring that all grant requirements were met; grant and county
procurement standards were followed; and contracts were properly documented.

- Responsible for contract administration; competitively selecting contractors; and developed new programs to encourage economic development countywide.
- Presented complex issues and recommendations to the Board of Supervisors and community groups
- Developed and maintained the Office of Economic Development website

**Fresno Private Industry Council**  
1993-1996  
Lead Research Analyst for the California Cooperative Occupational Information System (CCOIS)

- Developed and administered the program budget, as well as planned and coordinated all aspects of an on going occupational research project and supervised a staff of two research assistants.
- In addition to the CCOIS program, completed a number of economic studies to support the PIC and local economic development efforts; these studies included a report on medical industry staffing patterns, educational and employment trend analysis for Fresno County.

**Alameda County Economic Development Program**  
1991-1993  
Labor Market Analyst for the CCOIS 1992-1993  
Research Intern 1991-1992

- Developed and implemented a computer bulletin board (BBS) to enhance Alameda County's economic development program by providing immediate access to frequently requested economic data.
- Compiled and organized all data for the BBS as well as developed a tracking system to manage economic data and profile system users, before widespread use of the internet.
- Worked with community representatives, City and County staff to determine economic development marketing requirements.
- Conducted an economic impact analysis of proposed Bay Area Air Quality Management District regulations, including the development of a survey instrument, data collection and analysis.
Previous CDBG Grant(s) &

History of Clearing

Special Conditions

The County did not receive CDBG awards in 2009 or 2010.
# TABLE OF CONTENTS

*Click on the box, drop-down menu or text box to enter information.*

<table>
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<tr>
<th>ACTIVITY</th>
<th>SELECT</th>
<th>DOCUMENTATION</th>
<th>PAGE(S)</th>
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<td>All Forms and Documentation</td>
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<td>Other: Project Maps and Plans</td>
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<td><strong>READINESS</strong></td>
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<td>Program Operator</td>
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<tr>
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<td>Similar Project W/</td>
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<tr>
<td>Draft Subrecipient Agreement</td>
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<tr>
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<td>Adopted Rehab Guidelines</td>
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<td>Adopted Housing Rehab Guide</td>
<td></td>
</tr>
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<td>List of Pre-Screened Applicants</td>
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<td>YES</td>
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<td>Sources and Uses</td>
<td>Required</td>
<td>Chart</td>
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</table>
2012 CDBG APPLICATION
Housing Rehabilitation (HR)

HOUSING REHABILITATION - Forms

A. Activity Information:

1. Is this Activity being submitted under the Community Development Allocation, the Native American Allocation, the Colonia Allocation, or as a Set-Aside (Un-Scored) Activity? (Check only one box per set of activity application forms. A complete separate set of the forms in this section must be filled out for each allocation being applied for.)

☐ Community Development Allocation
☐ Native American Allocation
☐ Colonia Allocation
☐ Set-Aside (Un-Scored) Activity

2. How much is being requested for this activity?

$925,000 = $910,160 + $14,850

Total $\$ Requested for this Activity = (Activity $\$) + (Activity Delivery $\$)

3. Is this activity a component of a Housing Combo program?

Yes ☒ No ☐

4. How will the requested CDBG funds be used? Check ONLY one type of Program OR one type of Project. If more than one program/project is being proposed, submit a separate set of Activity Forms for each program/project:

a) Programs

☐ Rehab Program: Single-Family Residential (14A)
☐ Energy Efficiency Improvements (only) (14F)
☐ Lead-Based Paint/Lead Hazard Testing/Abatement (only) (14I)
☐ Residential Historic Preservation Program (16A)

b) Projects

☒ Multi-Family Rehabilitation Project (14B)
☐ Public Housing Modernization (14C)
☐ Rehab of Other Publicly Owned Residential Buildings (14D)
☐ Housing Real Property Acquisition for Rehabilitation (14G)
☐ Residential Historic Project (16A)
☐ Conversion of building(s) to housing units (must stay within the existing foundation footprint)
5. If a Project is being proposed, what is the location of the sites(s) where the activity will occur? (Include map)

32101 McCov Road, Soledad, CA 93960 (unincorporated area of Monterey County)

Does the Applicant currently have site control?
☒ Yes  ☐ No (If Yes, see Question 4 under Readiness)

6. Description of Activity: (See instructions.)

Camphora Highlands is a year round farm labor camp consisting of 44 units located in the central Salinas Valley, three miles north of the City of Soledad. The Camphora Farm Labor Camp was built in the 1960's as housing for single farmworkers as part of the Bracero Program. The forty-four units are small, two bedroom units with very limited living area. The buildings are constructed of concrete block and the site improvements are minimal. Forty-two of the units are currently occupied by 10 low income households (80% of median and below), 11 very low income households (50% and below) and 21 extremely very low income households (30% and below).

SCH purchased Camphora Highlands in the fall of 2010 and has been operating it since then. South County Housing (SCH) has developed over 2500 units of affordable for-sale and rental housing in a four county area and currently owns and operates over 1500 multi-family units. The purchase price was $1,525,000. The Seller provided a take back note for a period of three years at 3% interest only for two years and 5% interest only for the last year. SCH provided equity in the amount of $320,000 plus the costs associated with close totaling $565,000.

Due to Monterey County's agricultural-based economy, the County has classified farmworker housing as a priority. The acquisition of the Camphora Highlands property by a non-profit will allows it to be affordable to farmworkers in the future. As the rents are affordable to very low and extremely low families, there is very little cash flow. SCH needs to secure grants and alternative long-term financing to make the project viable for the long-term. However, given the current economic conditions, the unexpected loss of RDA funds, and limited State funding, SCH has been unable to secure long-term financing or grants for the project to pay off the Seller note. CDBG assistance would allow for partial paydown of the note. In return, the Seller will extend the term to fifteen years. A loan commitment letter is included with this application. It is in the County's best interest to assist SCH with securing financing in order to support the provision of affordable housing to farmworkers who are an integral part of Monterey County's economy.

The activity consists of 1) paydown and refinance of a short term (18 month) acquisition loan to ensure retention and continued affordability of year round farmworker housing and 2) upgrade of the existing water system for health and safety reasons.

Funding in the amount of $777,000 is being requested to assist the owner, South County Housing (SCH), a 501(c)(3), to pay down and extend the short term acquisition note to a fifteen year term. Additional costs of title and legal in conjunction with the pay down are budgeted at $2,000. The refinance of the project will occur within three months of the Standard Agreement date and within a month of completion of the NEPA.
The County of Monterey has entered into an Agreement for SCH to undertake the rehabilitation of the project contingent upon an award of CDBG funds. The water system upgrade has a budget of $148,000 of which $14,850 is for activity delivery including wage monitoring, procurement, and project management by SCH. The improvements will be completed within eight months of the Standard Agreement date. The system currently consists of an onsite private well with no storage for domestic water and only a small (approximately 3000 gallon tank) for fire which is inadequate in regard to meeting fire fighting needs. Refurbishing the water system will include installation of a 60,000 gallon water tank, upgraded fire department connections, and a new booster pump system for providing system pressure for domestic needs.

Affordability restrictions meeting CDBG income guidelines will be recorded against the property and will remain in force for the term of the CDBG loan.

7. **Who will be the Program Operator? (Check all that apply.)**

- [ ] Jurisdiction (Applicant)
- [ ] Consultant/Contractor (For-Profit entity)
- [ ] Non-Profit as Subrecipient
- [ ] CHDO (Community Housing Development Organization)
- [ ] Another unit of local government
- [ ] Another public agency
- [ ] Non-Profits not acting as Subrecipients
- [ ] Faith-based organization
- [ ] Institution of higher education
- [ ] Combination of above

Name of all agencies/organizations indicated above:

a) **South County Housing Corporation**

b) ______

c) ______

d) ______
8. **Project Timeline (for MFH Projects Only)** - Indicate significant accomplishments and the proposed date of completion.

<table>
<thead>
<tr>
<th>Description of Accomplishment</th>
<th>Proposed Date of Attainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CDBG Award announced for Camphora Apartments</td>
<td>6/30/2012</td>
</tr>
<tr>
<td>2. Standard Agreement executed</td>
<td>8/30/2012</td>
</tr>
<tr>
<td>3. NEPA published and approved</td>
<td>10/30/2012</td>
</tr>
<tr>
<td>4. Special Conditions met, fund refinance of acquisition debt</td>
<td>11/30/2012</td>
</tr>
<tr>
<td>5. Water storage and pressure system complete</td>
<td>4/30/2013</td>
</tr>
</tbody>
</table>

9. **Relocation Compliance for Rehab Programs:**

Will this activity trigger relocation (temporary) or permanent displacement of any "persons"?

- Yes ☐
- No ☒

If yes, then the grantee will be required as a special condition of the CDBG grant contract to submit GIN notices and a formal relocation or displacement plan for the project prior to release of grant funds. A properly signed acquisition notice to the seller will also be required per federal regulations.

Do local Owner Occupied Program Guidelines allow temporary relocation for program participants?

- Yes ☐
- No ☐

If yes, then proper language regarding the assistance for households must be included in local program guidelines for review at time of meeting special conditions of the grant.

Do local Owner Investor Program Guidelines have temporary relocation plan for tenants of rental units under the program?

- Yes ☐
- No ☒

If no, then proper Local Program Guidelines must be provided for the Department's review and approval at time of meeting special conditions of the grant.
### Need for Activity:

*For Census data used for this activity, please refer to Appendix P*

1. **Age of Housing Stock** - This table will indicate the total percentage of the jurisdiction's housing stock that was built pre-1970.

<table>
<thead>
<tr>
<th>Enter the percentage from Appendix P</th>
<th>Age of Housing Stock</th>
<th>42.3%</th>
</tr>
</thead>
</table>

2. **Overcrowding** - The total percentage of the jurisdiction's housing stock that is overcrowded (1.01 or more occupants per room):

<table>
<thead>
<tr>
<th>Enter the percentage from Appendix P</th>
<th>Overcrowding</th>
<th>11.2%</th>
</tr>
</thead>
</table>

3. **Vacancy Rate (for MFH projects)** - Enter the total percentage of the jurisdiction's vacancy rate:

<table>
<thead>
<tr>
<th>Enter the percentage from Appendix P</th>
<th>Total Vacancy Rate</th>
<th>4.9%</th>
</tr>
</thead>
</table>

4. **Supplemental Information** - Check if providing supplemental information for:

- Worsened Age of Housing Stock
- Worsened Housing Overcrowding
- Worsened Vacancy Rate (for MFH projects)
  
  a) Describe the worsened condition:
  
  b) Describe how this issue is specific to your community?
  
  c) List:
    
    - Third-party, quantifiable documentation (must be less than 5 years old) being submitted to support the worsened condition(s), **AND**
    
    - The time period that the documentation supports as worsened (e.g., earthquake on 1/1/08; fire from 3/13/08-5/17/08, etc.), **AND**
    
    - The page numbers, in this application, where documentation can be found.

**Note:** For lengthy reports/studies, please include the cover page, executive summary and only the pages needed to support worsened conditions. A more current Housing Stock survey cannot be submitted here – it must be submitted under the Housing Stock Condition section.

<table>
<thead>
<tr>
<th>Description of Documentation</th>
<th>Date of Doc.</th>
<th>Application Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C. **Benefit:**

1. **Service area for Programs:** *(Check only one.)*
   - [x] Entire Jurisdiction
   - [ ] Target Area(s):

   **All Applicants** - Identify the Service Area(s) by Census Tract(s) and Block Group(s) in the table below (even if jurisdiction-wide) and list the page(s) where the Census Tract/ Block Group Map(s) may be found in this application. Page(s): ____

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>Census Tract</th>
<th>Census Tract</th>
<th>Census Tract</th>
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<td>98+, see</td>
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<td>attachment</td>
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<tr>
<td>Block Group(s)</td>
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<td>1+</td>
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</table>

2. **Beneficiaries by Income and Tenure** - Housing Rehabilitation programs are income restricted and benefit 100 percent Low-Mod Individuals (LMI). Indicate the number of households that are anticipated to be assisted by category of Low-Mod Income, and by owner or renter-occupied units.

**OWNER-OCCUPIED units -**

<table>
<thead>
<tr>
<th>81% and Above (Non-Low-Mod)</th>
<th>Between 51% - 80% (Low Income)</th>
<th>Between 31% - 50% (Very Low Income)</th>
<th>Below 30% (Extremely Low Income)</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>not eligible</td>
<td></td>
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</tbody>
</table>
RENTER-OCCUPIED units -

<table>
<thead>
<tr>
<th>81% and Above (Non-LOW-MOD)</th>
<th>Between 51% - 80% (Low Income)</th>
<th>Between 31% - 50% (Very Low Income)</th>
<th>Below 30% (Extremely Low Income)</th>
<th>TOTALS</th>
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<tbody>
<tr>
<td>not eligible</td>
<td>10</td>
<td>11</td>
<td>21</td>
<td>42</td>
</tr>
</tbody>
</table>

3. Estimated number of: 1 Loans ◐ Grants

D. Readiness:

1. Program Operator - If funded, how will this activity be administered?
   - In-house Staff Only (Attach resumes and duty statements of staff that will be performing the work and a "Responsibility Chart" showing internal controls, management oversight, and which staff will be working on CDBG activities and their specific responsibilities.)
   - Subrecipient Agreement:
     - Draft ◐ Executed ◐ Other: _____
     - Term of the agreement: _____
   - Procured Administrator(s) (per 24 CFR 85.36 and the GMM Chapter 8):
     - Per Small Purchase Authority
     - By Competitive Proposal
     - By Non-Competitive/Sole-Source
     - Include Department approval documentation, pages: _____
     - Term of the agreement: _____
   - Combination of the above. Describe: The County has entered into an Agreement with Owner (South County Housing, 501(c) (3), CHDO) to undertake the project.
     - Documentation provided on pages: _____

2. Activity-Specific Operator Experience – Single Family Rehab Program:
   - Continuation of Existing Program
   - Active Program Within last 12 Months
   - Active Program Within last 4 Years – though not last 12 months
   - Documentation provided on pages: _____
3. **Activity-Specific Operator Experience – Multi-Family Rehab Project:**

Number of similar projects with CDBG or HOME funding completed by the jurisdiction in the past 5 years:

- [ ] 0 (zero)
- [x] 1 - 2
- [ ] 3 or more

Documentation required (check all that apply):

- [x] First page of grant agreement(s)
- [ ] First page of development agreement(s)
- [x] Grant close-out letter(s) from CDBG or HOME
- [x] Copy(ies) of Certificate of Occupancy or Recorded Notice(s) of Completion

Documentation provided on pages: _____

Number of similar projects without CDBG or HOME funding completed by the jurisdiction in the past 5 years:

- [ ] 0 (zero)
- [x] 1 - 2
- [ ] 3 or more

Documentation required (check all that apply):

- [ ] First page of grant agreement(s)
- [ ] First page of development agreement(s)
- [ ] Grant close-out letter(s) from CDBG or HOME
- [x] Copy(ies) of Certificate of Occupancy or Recorded Notice(s) of Completion

Documentation provided on pages: _____

4. **Site Control (Projects Only):**

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<th>Executed</th>
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<td>City/County owned site</td>
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<td>Option to Lease</td>
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<td></td>
<td>Leasehold Interest</td>
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</table>
Deed of Trust
☐ ☐ Other documentation of Site Control – List ______
Documentation provided on pages: ______

5. Other Readiness Documentation Provided:
☐ Adopted Housing Rehab Guidelines (Programs)
☐ Waiting List of Pre-Screened Applicants (Programs)
☐ Financing in Place (include all commitment letters or loan agreements)
☒ Executed Development Agreement (Projects Only)
Documentation provided on pages: ______

Note: If the applicant's Program Guidelines have been approved by the Department, provide only the Department's approval letter.
<table>
<thead>
<tr>
<th>Activity Cost Categories</th>
<th>Source</th>
<th>State Funds</th>
<th>Program Income</th>
<th>Other State Funds</th>
<th>Federal Funds</th>
<th>Local Funds</th>
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WATER TANK

COST VERIFICATION
TO: Seth Capron,  
South County Housing  

RE: Preliminary Cost Estimate For Camphora Apartments Booster Pump and Water Storage Tank  

FROM: David Heinrichsen  

PROJECT: #09035  

DATE: February 27, 2012  

Introduction  
As requested, we have prepared a preliminary cost estimate for a water storage tank and booster pump system improvements for supplying domestic water and maintaining system pressure for the existing Camphora Apartments property in Monterey County near Soledad. The proposed pumping system, working in conjunction with the proposed 60,000 gallon storage tank, would significantly reduce wear and tear on the existing 500 gallons per minute (gpm) well pump. The well pump is currently required to start and stop frequently in order to maintain system pressure by pumping directly into the existing system of pressure tanks. This mode of operation puts undue stress on the well pump and will lead to it wearing out earlier than normal. The existing steel water storage tank is filled from the well but is not an active part of the domestic water supply system for the apartments.

Determination of Pumping Requirements  
Domestic water demand is typically determined based on Water Supply Fixture Units (WSFU). There are currently 44 apartments on the project site. Assuming each unit has one bathroom and one kitchen, the estimated WSFU for each of the existing apartments is approximately 9. That value also assumes that there are no dishwashers or clothes washers in any of the units. Therefore, the existing domestic water demand for all 44 apartments is 9 x 44 = 396 WSFU. It is our understanding from conversation with you that there are no dishwashers at the present time but that there are a total of 7 clothes washers on the site. The clothes washers increase the total existing domestic water demand by 28 WSFU for a total of 424 WSFU.

Per the attached chart, the required water flow based on the current site improvements is approximately 120 gpm. That required flow rate, plus a factor of safety and irrigation demand, could be supplied by a package system including 3 – 60 gpm pumps with variable speed control and approximately 4 to 6 pressure tanks.

Cost Estimate for Pumping System  
Our preliminary estimate of the cost of a complete packaged 3-pump system (with 60 gpm pumps, complete electrical system including a variable speed control system, and pressure tanks) installed on site and connected to an adequate power supply, is $43,000.

Selection of Water Storage Tank  
A significant element of the proposed improvements to the existing site water supply system is the need for a new, much larger water storage tank. The existing tank on the site, at approximately 3,000 gallons, is much too small to provide any real fire protection benefit for the existing apartment buildings, and it is also too small to provide any meaningful reduction in the high frequency well pump start/stop cycling described above.
As mentioned in the opening paragraph, the proposed water system improvements include a 60,000 gallon capacity steel tank. This tank capacity was selected for a couple reasons. The first is that this size tank is compatible with the space currently available near the existing well. The second reason is that the proposed 60,000 gallon capacity of the proposed tank would provide water for fire protection for up to one hour (at 1,500 gpm with well pump running and providing 500 gpm).

**Cost Estimate for Water Tank**

Construction of an epoxy-coated, bolted steel tank will require no welding, blasting or painting on site, and it can be erected without the use of scaffolding or cranes. The epoxy coating provided with these tanks is superior to the coating on any field erected and painted welded tank. A budgetary price for a 60,000 gallon bolted epoxy coated tank is approximately $80,000 erected on site, including the foundation.

**Conclusion**

The total cost of the proposed tank and pumping facilities is estimated to be $123,000. Allowing for a 5% contingency, we recommend budgeting $129,150 for these improvements.

Please let us know if you have any questions about the proposed water facilities.

Sincerely,

David Heinrichsen

Attachment
Public Buildings - Water Supply

Required water supply in public buildings

- Best Water Heaters Best Local Water Heater Quotes. Enter Zip To Get 3 Bids In Seconds ReworkRenaWmk.com/Best_Heater

Required water supply to common public buildings are indicated in the chart below:

- Hospitals
- Mercantile Buildings
- Office Buildings
- Schools
- Hotels, Motels
- Apartments

Total No. of Fixtures

Water Supply

- Hospitals
- Mercantile Buildings
- Office Buildings
- Schools
- Hotels, Motels
- Apartments
SELLER COMMITMENT

REGARDING FINANCING
COMMITMENT REGARDING FINANCING

Camphora Apartments, LLC, a California limited liability company whose members are Rick and Patti Stemple (collectively, “Note Holder”), Rick and Patti Stemple as a married couple (Lender) and South County Housing Corporation (SCH), a California non-profit corporation, hereby enter into this Commitment Regarding Financing dated March 6, 2012.

RECITALS

A. Camphora Apartments, LLC, a California limited liability company whose Managing Partner is Rick Stemple and Member Partner is Patti Stemple, currently holds a promissory note as Payee for $1,205,000 dated October 22, 2010 (“Original Note”), which note has SCH as the Maker and is secured by a Deed of Trust on the 4.57 acre Camphora Labor Camp located at 32101 McCoy Road, Soledad, CA (the “Property”).

B. Rick and Patti Stemple are owners of Camphora Apartments, LLC and have the authority to take actions on its behalf.

C. SCH, the owner of the Property, is in the business of owning and operating affordable housing projects. SCH is applying for a CDBG Acquisition/Rehab Loan from the California Department of Housing and Community Development (HCD) in a joint application with the County of Monterey for the purpose of paying down the Original Note and for making improvements to the property.

D. If said CDBG loan is approved by HCD, a requirement for closing will be that any other debt on the Property have a term of at least fifteen years and that restrictions making the rents affordable to low income families be recorded on the property for that period.

E. Lender and Note Holder acknowledge that obtaining the CDBG loan is in the best interest of Lender and Note Holder and will allow SCH to pay down some of the principal owed on the Original Note and therefore Lender is willing to enter into this Commitment to Enter into a Loan Agreement.

Now, therefore, for valuable consideration and based on the Recitals above, Lender, Note Holder and SCH hereby agree as follows:

1. Upon close of escrow on the CDBG Loan, provided all of the conditions set forth below in this Agreement are met, Note Holder agrees to cancel the Original Note and reconvey the Deed of Trust securing the Original Note.
(a) SCH will cause to be placed into escrow an amount of $777,000 which amount will be used to partially pay down the principal balance owed on the Original Note.

(b) SCH will also cause to be placed into escrow a new note ("New Note") with Lender as the Payee in the original principal balance of not less than $428,000 which note will have a term of 15 years and carry an interest rate of 5% compounded quarterly. Interest payments on the New Note will be due quarterly on the first day of each calendar quarter. Principal and all unpaid interest will be due in full upon expiration of the term. SCH shall be entitled to prepay the New Note at any time without penalty. Except as set forth herein, the terms of the New Note shall be the same as the Original Note. The New Note will be secured by a Deed of Trust on the Property.

2. Lender and Note Holder will sign and return to SCH any loan agreement, escrow instructions or other reasonable documents needed to carry out the terms of this loan restructuring commitment within seven days of delivery of documents to the Lender and Note Holder.

Lender and Note Holder and SCH agree that the terms of this Commitment Regarding Financing shall be binding upon both parties.

Lender:

[Signature]
Rick Stemple
Date: 3/6/2012

[Signature]
Patti Stemple
Date: March 6, 2012
SCH:
South County Housing Corporation, a California nonprofit public benefit corporation

By: [Signature]

Its: [Signature]

Note Holder:
Camphora Apartments, LLC, a California limited liability company

Rick Stemple, managing member

Patti Stemple, managing member

3/6/2012 Date

March 6, 2012 Date
SERVICE AREA

DOCUMENTATION

COUNTRY CENSUS TRACTS MAP
The first map shows all 94 Census Tracts within Monterey County in different colors. Of these, 35 are entirely within the Entitlement Cities of Monterey, Salinas, and Seaside. Thirteen more Census Tracts include part of an Entitlement City and an adjacent jurisdiction.

Because the proposed project will benefit the entire jurisdiction, Census Block numbers have not been included in the following list of Census Tracts.

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SERVICE AREA

DOCUMENTATION

CENSUS TRACT 148 MAP
SERVICE AREA

DOCUMENTATION

CAMPHORA HIGHLANDS

VICINITY MAP
SERVICE AREA

DOCUMENTATION

CAMPHORA HIGHLANDS

SITE MAP
JURISDICTION

EXPERIENCE

WITH CDBG/HOME

04-HOME-0744 PACIFIC MEADOWS
(200 UNITS OF AFFORDABLE HOUSING)

04-HOME-0744 RIPPLING RIVER
(78 UNITS OF AFFORDABLE HOUSING)

04-STBG-1977 RIPPLING RIVER
(78 UNITS OF AFFORDABLE HOUSING)
NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is OWNER or agent of the OWNER of the interest or estate stated below in the property hereinafter described.

2. The FULL NAME of the said OWNER is: Pacific Meadows Senior Housing L.P., a California limited partnership

3. The FULL ADDRESS of said OWNER is: 6120 Stoneridge Mall Rd, Third Floor, Pleasanton, CA 94588

4. The NATURE OF THE INTEREST or ESTATE of said OWNER is: a Leasehold Estate

5. The FULL NAMES and FULL ADDRESSES of all persons, if any, who hold title with said OWNER as joint tenants or as tenants in common, or otherwise, are:

   NAMES
   N/A

   ADDRESSES

6. A work of improvement on the property hereinafter described was COMPLETED ON 12/30/2010.

7. The work of improvement completed is described as follows: Rehabilitation of a 200 unit apartment complex, including a common building and including the installation of solar water heat.

8. The NAME OF THE CONTRACTOR, if any, for such work of improvement is: Dilbeck and Sons, Inc.

9. The street address of said property is: 5315 Carmel Valley Road, Carmel, California, 93923

10. The property on which said work of improvement was completed is in the City of Carmel, County of Monterey, State of California, and is described as follows: See Exhibit A attached

I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the OWNER of the aforesaid interest or estate in the property described in the above notice; that I have read the said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

January 6, 2011

Owner:
Pacific Meadows Senior Housing, L.P.,
a California limited partnership

By: Pacific Meadows Senior LLC,
a California limited liability company,
its general partner

By: American Baptist Homes of the West
a California nonprofit public benefit
its manager

David L. Grant,
Senior Vice President and General Counsel

[MUST BE NOTARIZED]
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Alameda

On January 6, 2011 before me Anna K. Lee, Notary Public

personally appeared David A. Grant

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature of Notary Public]

Place Notary Seal Above

[Notary Seal]

ANNA K. LEE
Commission # 1885604
Notary Public - California
Alameda County
My Comm. Expires Apr 11, 2014
A LEASEHOLD INTEREST as created by that certain ground lease agreement made by and between the HOUSING AUTHORITY OF THE COUNTY OF MONTEREY, as lessor, and PACIFIC MEADOWS SENIOR HOUSING, L.P., a California limited partnership, as lessee, for the term and upon the terms and conditions contained in said lease (collectively, the “Lease”), in and to the following:

THE LAND, REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOW:

PARCEL I:

A portion of Parcel 1, as shown on the map filed for record on March 2, 1992 in Volume 17, “Surveys”, Page 84, Records of Monterey County, and being more particularly described as follows:

Beginning at the northwesterly corner of Parcel 1 as shown on said map, thence from said Point of Beginning, along the northerly line of Parcel 1,

1) North 86°32'34” East, 1238.28 feet; thence,

2) South 79°08'37” East, 146.97 feet; thence,

3) North 10°51'23” East, 24.57 feet; thence,

4) South 77°38'45” East, 99.89 feet; thence departing said northerly line of Parcel 1, thence,

5) South 17°00'00” East, 201.98 feet; thence,

6) South, 104.00 feet; thence,

7) North 83°30'00” West, 198.00 feet; thence,

8) South 39°30'00” West, 133.00 feet; thence,

9) South 77°45'00” West, 171.50 feet; thence,

10) North 79°00'00” West, 254.00 feet; thence,

11) South 64°15'00” West, 193.50 feet; thence,

12) North 68°00'00” West, 209.00 feet; thence,

13) South 79°15'00” West, 279.00 feet; thence,

14) North 89°30'00” West, 172.00 feet to an angle point on the Westerly line of said Parcel 1; thence along said
Westerly line,

15) North 4°29'28" West, 373.00 feet to the Point of Beginning.

PARCEL II:

A portion of Parcel 2, as shown on the map filed for record on March 2, 1992 in Volume 17, "Surveys", Page 84, Records of Monterey County, and being more particularly described as follows:

Commencing at an angle point on the southerly boundary of Parcel 2, said angle point also being the northwesterly corner of Parcel 1 as shown on said map; thence from said angle point along the Southerly line of Parcel 1, South 4°29'28" East, 119.00 feet to the True Point of Beginning; thence departing said southerly boundary,

1) South 85°30'32" West, 90.00 feet; thence,

2) South 4°29'28" East, 190.00 feet; thence,

3) North 85°30'32" East, 90.00 feet to a point on the Southerly boundary of Parcel 2; thence along said Southerly boundary,

4) North 4°29'28" West, 190.00 feet to the True Point of Beginning.

PARCEL III:

A non-exclusive easement Thirty (30) feet wide lying Fifteen (15) feet on each side of the hereinafter described centerline as granted in Deed recorded April 29, 1968 in Reel 555, Page 271, Monterey County Records, limited to the right to travel over the existing road. The existing road shall not be enlarged or altered by grantee. No trees, shrubs, or other foliage shall be removed from said easement without the consent of grantor or the successors in interest to the property burdened by this easement.

Beginning at a point on the Northerly line of that certain 1.65 acre parcel, which bears S. 84° 27 55" E., 256.73 feet distant from the most northerly corner thereof, as said line, parcel, and corner are described in deed from Howard Hatton, et ux, to County of Monterey, State of California, recorded September 22, 1950 in Volume 1247, at page 352, Official Records of Monterey County, California; thence leaving said line,

(1) N. 39° 05' E., 427.0 feet; thence

(2) N. 33° 35' E., 199.0 feet; thence

(3) N. 41° 20' E., 147.0 feet; thence

(4) N. 28° 42' E., 45.0 feet; thence

(5) N. 08° 44' E., 67.0 feet; thence

(6) N. 35° 20' E., 40.0 feet; thence

(7) N. 02° 45' W., 20.0 feet; thence
(8) N. 46° 45' W., 20.0 feet; thence

(9) N. 71° 45' W., 15.0 feet; thence

(10) S. 73° 50' W., 15.0 feet; thence

(11) S. 33° 35' W., 45.0 feet; thence

(12) S. 64° 30' W., 20.0 feet; thence

(13) S. 82° 07' 30" W., 26.6 feet

PARCEL IV:

A non-exclusive easement for vehicular and pedestrian access over the existing road lying within the area described as follows:

Beginning at a found three quarter inch diameter iron pipe with a plastic cap marked RCE 15310 per Volume 16 of Surveys, Page 190, Official Records of the County of Monterey, California. Said iron pipe also being accepted as the Southwest corner of lot 6, Hatton Partition and as the Southwest corner of Parcel I, Exhibit A, per Reel 555, Official Records, page 271; thence along the Westerly line of said Parcel I,

(1) N. 02° 39' 27" W., 282.19 feet; thence leaving said parcel I Westerly line along the following courses,

(2) S. 89° 58' 36" E., 148.05 feet; thence

(3) Non-Tangentially curving along the arc of a circular curve, concave to the right (east) (the center of the said curve bearing N. 83° 31' 10" E., distant 190.0 feet from the beginning of the curve) in a Northerly direction through a central angle of 52° 06' 27" for an arc length of 172.80 feet; thence tangent to said curve,

(4) N. 45° 37' 38" E., 266.91 feet; thence

(5) Tangentially curving along the arc of a circular curve, concave to the left (the center of said curve bearing N. 44° 22' 22" W., distant 50.00 feet) through a central angel of 26° 58' 34" for an arc distance of 23.54 feet; thence tangent to said curve,

(6) N. 18° 39' 04" E., 88.30 feet; thence

(7) N 71° 20' 56" W., 231.44 feet; thence

(8) N. 00° 00' 00" E., 155.58 feet; thence

(9) Tangentially curving along the arc of a circular curve, concave to the right (the center at the said curve bearing N. 90° 00' 00" E., distant 190.00 feet) through a central angle of 78° 04' 38" for an arc length of 258.91 feet; thence tangent to said curve,

(10) N. 78° 04' 38" E., 59.46 feet; thence
(11) Tangentially curving along the arc of a circular curve, concave to the right (the center of said curve bearing S. 11° 55' 22" E., distant 225.00 feet) through a central angle of 38° 56' 01" for an arc length of 152.89 feet; thence non-tangent to said curve,

(12) S. 27° 00' 39" W., 48.00 feet; thence

(13) Non-tangentially curving along the arc of a circular curve, concave to the left (north) (the center of said curve bearing N. 27° 00' 39" E., distant 83.00 feet from the beginning of the curve) in an Easterly direction through a central angle of 78° 23' 26" for an arc length of 113.56 feet; thence tangent to said curve,

(14) N. 38° 37' 13" E., 54.57 feet; thence

(15) Tangentially curving along the arc of a circular curve, concave to the right (the center of said curve bearing S. 51° 22' 47" E., distant 232.00 feet) through a central angle of 59° 41' 38" for an arc length of 241.71 feet; to a point of reverse curvature,

(16) Tangentially curving along the arc of a circular curve, concave to the left (the center of said curve bearing N. 8° 18' 51" E., distant 331.13 feet) through a central angle of 12° 48' 19" for an arc length of 74.00 feet; thence tangent to said curve,

(17) N. 85° 30' 32" E., 191.82 feet; thence

(18) S. 4° 29' 28" E., 64.00 feet; thence

(19) S. 85° 30' 32" W., 191.82 feet; thence

(20) Tangentially curving along the arc of a circular curve, concave to the right (the center of said curve bearing N. 04° 20' 28" W., distant 395.13 feet) through a central angle of 12° 48' 19" for an arc length of 88.31 feet to a point of reverse curvature; thence

(21) Tangentially curving along the arc of a circular curve, concave to the left (the center of said curve bearing S. 08° 18' 51" W., Distant 168.00 Feet) through a central angle of 59° 41' 38" for an arc length of 175.03 feet; thence tangent to said curve,

(22) S. 38° 37' 13" W., 54.57 feet; thence

(23) Tangentially curving along the arc of a circular curve, concave to the right (the center of said curve bearing N. 51° 22' 47" W., distant 147.00 feet) through a central angle of 79° 23' 26" for an arc length of 201.12 feet; thence non-tangent to said curve,

(24) S. 27° 00' 39" W., 48.00 feet; thence

(25) Non-tangentially curving along the arc of a circular curve, concave to the left, (South) (the center of said curve bearing S. 27° 00' 39" W., distant 65.00 feet from the beginning of the curve) in a Northerly direction through a central angle of 38° 56' 01" for an arc length of 44.17 feet; thence tangent said curve,

(26) S. 78° 04' 38" W., 59.46 feet; thence

(27) Tangentially curving along the arc of a circular curve, concave to the left (the center of said curve
bearing S. 11° 55' 22" E., distant 30.00 feet) through a central angle of 168° 18' 02" for an arc length of 88.12 feet to a point of reverse curvature; thence

(28) Tangentially curving along the arc of a circular curve, concave to the right (the center of said curve bearing S. 00° 13' 24" E., distant 190.00 feet) through a central angle of 108° 52' 28" for an arc distance 361.4 feet; thence tangent to said curve,

(29) S. 18° 39' 04" W., 88.30 feet; thence

(30) Tangentially curving along the arc of a circular curve, concave to the right (the center of said curve bearing N. 71° 20' 56" W., distant 210.00 feet) through a central angle of 26° 58' 34" for an arc length of 98.87 feet; thence tangent to said curve,

(31) S. 45° 37' 38" W., 266.91 Feet; thence

(32) Tangentially curving along the arc of a circular curve, concave to the left (the center of said curve bearing S. 44° 22' 22" W., distant 30.00 feet) through a central angle of 68° 49' 49" for an arc length of 36.04 feet; thence tangent to said curve,

(33) S. 23° 12' 12" E., 85.23 feet; thence

(34) Tangentially curving along the arc of a circular curve concave to the right (the center of said curve bearing S. 66° 47' 48" W., distant 190.00 feet) through a central angle of 10° 26' 56" for an arc length of 34.65 feet; thence non-tangent to said curve and along the boundary of Parcel 1, Exhibit A, Reel 555, Official Records of the County of Monterey, page 271,

(35) S. 32° 25' 52" W., 238.18 feet; thence

(36) N. 84° 24' 21" W., 213.73 feet to the point of beginning.

APN: 015-163-001,002, 003
March 2, 2012

Jane Royer Barr
Program Manager
Monterey County Economic Development
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901

Re: Successful Closure & Completion of HOME Contract 04-0744

Dear Ms. Barr:

This is to confirm that the County successfully completed the portion of HOME Contract 04-0744 which involved the acquisition and rehabilitation of the 200-unit Pacific Meadows affordable senior housing project.

It was a pleasure working with you on this project. Please feel free to contact me at 916-324-4396 if you need further information to verify the closure of this contract.

Yours sincerely,

[Signature]

Robert D. Rystad
HOME Program Representative II
NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned, James S. Nakashima, President, Monterey County Housing Authority Development Corporation, is the agent of the interest or estate of that certain real property located in Monterey County, State of California, commonly known by its street address of 53 East Carmel Valley Road, Carmel Valley, CA 93924 (Rippling River Apartments).

2. Rippling River Affordable Housing Limited Partnership, the owner of said property, did on the 11th day of April, 2006, entered into a contract with DMC Construction Incorporated as General Contractor for construction rehabilitation of a 79-unit housing project as more completely described in the bid documents and construction contract dated April 11, 2006.

3. The date of completion (other than a cessation of labor) was the 25th day of May, 2007.

4. The name and address of the agent/owner are the Monterey County Housing Authority Development Corporation, 123 Rico Street, Salinas, CA 93907 and the Rippling River Affordable Housing Limited Partnership, 123 Rico Street, Salinas, CA 93907 respectively.

5. The nature of the interest or estate of the agent/owners is Fee Simple Ownership.

6. The description of the site sufficient for identification, containing the street address of the site, of 53 East Carmel Valley Road, Carmel Valley, CA 93924.

7. The name of the original contractor, if any, is DMC Construction Incorporated.

8. If the notice is given only of completion of a contract for a particular portion of such work of improvement, then the name of the original contractor under such contract is DMC Construction Incorporated.

This the 25th day of May, 2007.

Monterey County Housing Authority Development Corporation

[Signature]

James S. Nakashima
President
JURISDICTION

EXPERIENCE

WITHOUT CDBG/HOME

REDEVELOPMENT AGENCY LOAN TO

MID-PENINSULA CASTROVILLE ASSOCIATES
(58-UNITS OF AFFORDABLE FAMILY RENTAL HOUSING)
NOTICE OF COMPLETION

Notice is hereby given that Mid-Peninsula Castroville Associates, L.P., a California Limited Partnership (the "Owner") is the owner of certain parcels of real property located in Castroville, Monterey County, California, the street addresses of which are 10860 Merritt Street, 10864 Merritt Street, 10868 Merritt Street, and 10898 Merritt Street, Castroville, California 95012 and the Assessor's Parcel Number of which is APN 030-166-010; and the street addresses of which are 10201 Merritt Street and 10203 Merritt Street, Castroville, California 95012 and the Assessor's Parcel Number of which is APN 030-128-015 as more particularly described on Exhibit A attached hereto and incorporated herein (the "Property").

The Owner entered into a contract with the original contractor whose name is Ausonio, Inc., a California Corporation (the "Contractor"), whose address is 11420 A Commercial Parkway Castroville, California 95012, for the construction of and/or materials furnished under the contract as follows: New construction work per the contract dated on September 8, 2010 upon the Property. On October 31, 2011, the above-referenced contract, as a whole, was completed by the Contractor.

The nature of the interest or estate of the Owner is: Fee

Mid-Peninsula Castroville Associates, L.P., a California Limited Partnership

By: Mid-Peninsula Tyrell, Inc., a California nonprofit public benefit corporation, its general partner

Dated: November 3, 2011

By: Jessica de Wit, Project Manager
Owner's Agent

VERIFICATION

I declare under penalty of perjury of the laws of the State of California that I am the owner or agent of the owner of the property described in the above notice; that I have read said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

11/3/2011, Watsonville, CA

By: Jessica de Wit, Project Manager
Owner's Agent
State of California
County of Monterey

On 5/25/07 before me, Kimmy H. Nguyen, a Notary Public, personally appeared James S. Nakashima, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/their authorized capacity(ies), and that by his/his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Kimmy H. Nguyen
Notary Public
My commission expires: 12/10/08

CA Civil Code § 3093
JURISDICTION

ORGANIZATION AND

EXPERIENCE
DUTY STATEMENTS

Economic Development Director (ED Director) - Jim Cook
This position is authorized by the County Board of Supervisors to execute all grant agreements, amendments, reports and other documents. The Economic Development Director is responsible for the overall policy direction within the office and ensuring that the County CDBG funds support County policies to serve low- and moderate-income individuals in the County.

Assistant Director of Redevelopment and Housing (AD) - Marti Noel
This position provides day to day oversight of all activities. With regard to the CDBG program, the AD will supervise implementation of the program to ensure that it is completed in a timely manner consistent with the grant terms and conditions.

Department Finance Manager (DFM) - Carol Bouchard
This position is responsible for tracking all grant expenditures, ensuring that financial transactions are correctly posted to the County’s financial management system and reviewing all grant reports and draw requests before the ED Director signs them. The DFM is also the primary position responsible for ensuring that all CDBG expenditures are correctly categorized and reported in the County’s Single Audit. The DFM maybe assisted by other accounting staff as necessary.

Housing Program Manager (HPM) - Jane Royer Barr
This position is responsible for the day to day management of the grant. These duties include ensuring that the County implements the grant in compliance with all terms and conditions, following the County’s established procurement process, reviewing contractor work products and invoices, community relations, and preparing grant reports for the DFM to review and ED Director to sign. The HPM may be assisted by other Housing and Redevelopment staff as needed.

Redevelopment and Housing Analyst (RHA) - Darby Marshall
This position will be responsible for preparation of all program materials and documents for review by the HPM before they are submitted to the DFM and/or ED Director, or circulated for comments.
Resume
Jim Cook

EXPERIENCE:

Jim Cook has worked for Monterey County for over 25 years. In 2011, he was appointed as the Director of Economic Development. Prior to that, he was the Director of the Redevelopment and Housing Office for twelve years. He has previously served as the LAFCO Executive Officer and Interim Director of General Services for Monterey County. Prior to working for Monterey County, Mr. Cook worked for San Diego County LAFCO.

In his current capacity as the Director of Economic Development, he is responsible for an annual budget in excess of $25 million and has a current staff of 12. The Economic Development Department is responsible for the County's economic development policy and implementation through the Federal Workforce Investment Act (WIA); the County's affordable housing programs; and a variety of community development efforts. The Economic Development Department is also responsible for applying for and managing grants for housing and community infrastructure activities including CDBG, HOME, EDA, NSP and WIA grants. Since 2000, the RHO has managed a total of 22 grants which have funded new housing construction, housing rehabilitation, first time home buyer programs, foreclosure prevention, economic development activities, community facilities, and infrastructure improvements.

Mr. Cook has strong program and project management capabilities in addition to being a skilled strategic thinker. Mr. Cook has developed a focused and comprehensive approach and vision related to community improvement and redevelopment efforts. Mr. Cook has an extensive background in financial planning and management which has resulted in innovative funding strategies that successfully leverage limited County resources.

EDUCATION: Masters in Public Administration, San Diego State University B.A., Economics, California State University Fresno
EXPERIENCE:

2007 - Present  Assistant Director
Monterey County Redevelopment and Housing Office

Assists the Director in managing the Redevelopment and Housing Office (RHO), including three active redevelopment project areas, the County’s affordable housing programs, and a variety of community development efforts. The RHO is also responsible for applying for and managing grants for housing and community infrastructure activities, including CDBG, HOME, EDA and NSP grants. Since 2000, the RHO has managed a total of 18 grants which have funded new housing construction, housing rehabilitation, first time home buyer programs, foreclosure prevention, economic development activities, community facilities, and infrastructure improvements. Oversees the Housing Advisory Committee and Redevelopment Citizen Advisory Committees.
Serves as Project Manager for the more complicated affordable housing and redevelopment activities such as preparation of the Housing Element and community planning efforts.

2001 - 2006  Senior Analyst
Monterey County Redevelopment and Housing Office

Served as lead staff for the preparation of a revised Inclusionary Housing Ordinance, the Housing Element, the Castroville Community Plan, entitlement approvals for affordable housing projects, and various grant application preparation and management activities.

1994 - 2001  Senior Project Manager
Pacific Municipal Consultants (PMC)
Monterey, CA

Provided contract staff services related to planning and environmental review to various public agencies in the region. Services included project review, preparation of planning and environmental documents, and general project and program management activities.
1993-1994  
**Project Manager**  
Wildan Associates  
Pleasanton, CA  
Managed various planning and environmental review projects primarily for public agencies.

1991-1993  
**Planning Consultant**  
San Diego, CA  
Provided contract planning services to the City of Escondido. Assignments included managing the preparation of a large specific plan, an infrastructure and facilities master plan, and a significant sphere of influence amendment.

1983-1991  
**Project Manager**  
Nolte and Associates, Engineering and Planning Consultants  
San Jose, CA  
Managed a variety of land development, infrastructure and environmental projects. Prepared master plans, specific plans, and environmental documents.

1982-1983  
**Contract Planner**  
City of Redwood City, CA  
Assisted in the preparation of a downtown master plan and revitalization study. Assisted with various current planning efforts.

1979-1981  
**Assistant Planner**  
County of San Luis Obispo, CA  
Worked with the Development Review Division processing applications, including preparing staff reports and environmental documents.

1978-1979  
**Assistant Landscape Architect/Planner**  
Site and Environmental Design Services  
San Luis Obispo, CA  
Assisted in the preparation of Environmental Impact Reports, site plans and landscape plans for commercial, industrial and residential projects.

**EDUCATION:**  
B.S., California Polytechnic State University San Luis Obispo, Landscape Architecture
Resume

Jane Royer Barr

EXPERIENCE:

2009- Present  Housing Program Manager
Monterey County Redevelopment and Housing Office

Manages County's affordable housing programs including the Inclusionary Housing Program, Neighborhood Stabilization Program, and First Time Home Buyer Program. Oversees grant application preparation and management, including grant reporting. Evaluates funding requests, prepares funding documents, and manages implementation activities related to affordable housing projects. Oversees monitoring activities related to grants, loans, and restrictions. Assists in staffing the County's Housing Advisory Committee and Housing Loan Committee. Oversees the preparation of housing related documents including the Housing Allocation Manual, First Time Home Buyer Manual, and Program Income Reuse Plans.

2005 - 2009  Senior Project Manager
Mid-Peninsula Housing Coalition, Watsonville, CA

Identified and negotiated acquisition of sites. Evaluated feasibility and oversaw development of affordable housing projects in Santa Cruz and Monterey counties. Conducted financial analysis and planning. Coordinated loan applications to public and private lending agencies. Served as project liaison with all levels of government officials, lenders, and construction personnel. Managed new construction of Via del Mar, a 40-unit family development in downtown Watsonville and Parkhurst Terrace, a 68 unit project in Aptos.

1996-2005  Project Manager
Mid-Peninsula Housing Coalition, Watsonville, CA

Managed acquisition and rehabilitation of a 21-unit SRO & one-bedroom property in Santa Cruz. Co-managed acquisition and demolition/reconstruction of a farmworker camp in Watsonville. Managed acquisition of two trailer parks for conversion to permanent mobile-home parks. Structured and implemented business plans for the rehabilitation and return to public use of two military housing developments of 352 and 192 units. Managed
acquisition of 43 acres for landbanking in northern Monterey County.

1991-1996: **Project Analyst**
Housing Authority of the County of Santa Cruz

Prepared grant applications and managed grants. Performed financial analysis and project administration, including placement of Red Cross funds for replacement of low-income housing lost in earthquake. Monitored bond and HUD compliance.

1981-1990: **Real Estate Investment Consultant**
Independent Contractor

Provided appraisal (including current valuation of pension fund portfolios), property management, packaging and marketing of properties and trusts services and special projects for The Landsing Corp., Alquest Property Management, Kurt Reitman & Associates, and Crocker Real Estate Investment Group.

1974-1980 **Vice President/Consulting**
The Landsing Corp.

Started as a research assistant and culminated as V.P. for outside consulting and appraisals, feasibility studies and financial analysis of all investment properties. Managed division of 6 people with budget of $2 million.

**EDUCATION:**
B.A., Smith College, American Studies with a concentration in Economics
American Institute of Real Estate Appraisers (all courses required for M.A. I. Designation)
Darby G. Marshall  
(831) 755-5391  
Email: marshalld@co.monterey.ca.us

Education
University of San Francisco  
Master of Public Administration
1993-1996
Course work included: Economics & Finance for Public Managers; Management Planning & Control; Public Policy Analysis; Public Program Evaluation and Strategic Planning & Implementation.

Holy Names College, Oakland California  
Bachelor of Arts in Philosophy and International Relations  
1986-1990

Experience
County of Monterey, Resource Mgmt Agency – Office of Housing and Redevelopment  
Redevelopment and Housing Analyst  
2004-Present

- Responsible for developing five year planning documents for redevelopment areas.
- Analyze revenue projections and develop project implementation schedules that tie the Agency and community’s objectives to available revenues.
- Work with various County departments (County Counsel, Environmental Health, Planning, Public Works, etc.) to develop and implement projects.
- Coordinated the transition to project based budgeting.
- Monitor the Agency’s $10 million+ loan portfolio to ensure that borrowers are making agreed payments and make recommendations on loan restructuring when appropriate.
- Serve as Assistant Public Information Officer in County Emergency Operations Center when activated

County Administrative Office – IGA/ERP Office of Economic Development  
Associate Administrative Analyst  
1997-2004

- Responsible for budget development, grant writing and administration of staffing the overall Economic Development Commission.
- Prepared four separate budgets administered by the Office of Economic Development and developed and monitored a monthly financial tracking system to ensure that programs remained within budget; budgets included revenue and expenditures from the County General Fund and various state and federal grant programs.
- Responsible for a variety of projects and programs administered by the Office of Economic Development including ensuring that all grant requirements were met; grant and county
procurement standards were followed; and contracts were properly documented.

- Responsible for contract administration; competitively selecting contractors; and developed new programs to encourage economic development countywide.
- Presented complex issues and recommendations to the Board of Supervisors and community groups
- Developed and maintained the Office of Economic Development website


Lead Research Analyst for the California Cooperative Occupational Information System (CCOIS)

- Developed and administered the program budget, as well as planned and coordinated all aspects of an ongoing occupational research project and supervised a staff of two research assistants.
- In addition to the CCOIS program, completed a number of economic studies to support the PIC and local economic development efforts; these studies included a report on medical industry staffing patterns, educational and employment trend analysis for Fresno County.

Alameda County Economic Development Program 1991-1993

Labor Market Analyst for the CCOIS 1992-1993
Research Intern 1991-1992

- Developed and implemented a computer bulletin board (BBS) to enhance Alameda County's economic development program by providing immediate access to frequently requested economic data.
- Compiled and organized all data for the BBS as well as developed a tracking system to manage economic data and profile system users, before widespread use of the internet.
- Worked with community representatives, City and County staff to determine economic development marketing requirements.
- Conducted an economic impact analysis of proposed Bay Area Air Quality Management District regulations, including the development of a survey instrument, data collection and analysis.
Program Operator

Experience

With CDBG/Home
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

DEVELOPMENT AGREEMENT

LOAN NUMBER 08-HOME-4871

THIS DEVELOPMENT AGREEMENT (the "Agreement") is dated for reference purposes only as of June 1, 2010, and is made by and among Vista Meadows Associates, L.P., a California limited partnership (the "Borrower"); Mid-Peninsula The Farm, Inc., a California nonprofit public benefit corporation (the "MPTF"); and the Department of Housing and Community Development, a public agency of the State of California (the "Department").

Recitals

A. The Borrower is the owner of, or holder of a fee or leasehold estate in, the real property located at 108 E. Park Street, Hollister, CA 95023, County of San Benito (the "Property") more fully described in Exhibit A attached hereto and made a part hereof.

B. By application dated July 25, 2008 (the "Application"), South County Housing Corporation ("South County") applied to the Department for funds to finance, in part, the construction of a 72-unit rental housing development of which 14-units will be HOME-assisted to be located on the Property. In response, the Department has conditionally agreed to make a loan to Borrower in an amount not to exceed TWO MILLION AND 00/100 DOLLARS ($2,000,000.00) (the "Loan") pursuant to, and with funds provided by, the Home Investment Partnerships Program (the "HOME Program") in accordance with Title 25, California Code of Regulations, Sections 8200, et seq., and 24 CFR Part 92, the federal regulations governing the HOME Program commitment (together, the "HOME Regulations"). In consideration of the Department's conditional commitment to make the Loan, South County and Department entered into a Standard Agreement No. 08-HOME-4871 dated April 6, 2009 (the "Standard Agreement"). The Standard Agreement, the Application and all amendments, exhibits and attachments thereto, are incorporated in full by reference into this Agreement.

C. South County has assigned all its right, title and interest in the Standard Agreement to MPTF, and MPTF has accepted such assignment and has agreed to perform all the obligations of the Standard Agreement.
WHEREFORE the parties enter into this Agreement as of the date first written above.

BORROWER:

Vista Meadows Associates, L.P.,
a California limited partnership

By: Vista Meadows LLC,
a California limited liability company

Its: General Partner

By: Mid-Peninsula The Farm, Inc.,
a California nonprofit public benefit corporation

Its: Sole Member/Manager

By: Matthew Franklin

Its: Assistant Secretary

MPTF:

Mid-Peninsula The Farm, Inc.,
a California nonprofit public benefit corporation

By: Matthew Franklin

Its: Assistant Secretary

DEPARTMENT:

Department of Housing and Community Development
Home Investment Partnerships Program
P.O. Box 952054
Sacramento, CA 94252-2054

By: Laura Bateman
HOME Program Manager
DEVELOPMENT SERVICES AGREEMENT

THIS AGREEMENT is made effective as of the 14th day of May, 2010, by and between Mid-Peninsula Housing Coalition, a California nonprofit public benefit corporation ("MPHC") and South County Housing Corporation, a California nonprofit public benefit corporation ("SCHC").

RECEITALS

A. Vista Meadows Associates, L.P. (the "Partnership") has contracted with MPHC to develop a housing project consisting of seventy-two (72) residential units for low income senior households including 1 manager's unit situated on certain real property located in the City of Hollister, California (the "Project").

B. MPHC desires to subcontract with SCHC to provide certain services in connection with the development of the Project.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Term. MPHC and SCHC hereby contract for SCHC to render services in conjunction with the development of the Project on behalf of MPHC, as hereafter described. The term of this Agreement began effective as of May 14th, 2010 and shall end on December 31, 2012, or upon the completion of the construction of the Project in all respects including the Partnership's receipt of IRS Form(s) 8609 from the California Tax Credit Allocation Committee, whichever occurs earlier.

2. Development Services. SCHC shall provide all development services necessary and advisable to facilitate the construction of the Project. These development services shall include those services more fully described in Schedule A of this Agreement and such other related development services as MPHC may reasonably request in connection therewith (collectively, the "Development Services").

3. Fees. For services performed under this Agreement, MPHC shall pay SCHC a fee (the "Fee") equal to Eight Hundred Thousand Dollars ($800,000).
   a. The Fee is earned by SCHC as follows: $320,000 shall be earned upon close of the construction financing for the Project and the admission of the investor limited partner to the Partnership; $120,000 shall be earned upon completion of the site work as certified to by the Project architect; $80,000 shall be earned upon completion of all framing as certified to by the Project architect; $120,000 upon construction completion as evidenced by a certificate of occupancy for all units in the Project and completion of punch-list items; $128,000 upon pay down and conversion of the construction loan from U.S. Bank, N.A. to an amortizing term
MPHC:
Mid-Peninsula Housing Coalition, a California nonprofit public benefit corporation
By: [Signature]
Its: [Signature]

SCHC:
South County Housing Corporation, a California nonprofit public benefit corporation
By: [Signature]
Its: [Signature]
PROJECT OPERATOR

ORGANIZATION AND EXPERIENCE
South County Housing Corporation (SCH), incorporated in 1979, is a non-profit public benefit corporation created as the direct result of the work of local community activists including farm workers, professionals and community members who came together to address issues affecting the disenfranchised. SCH's initial mission was primarily to provide housing for low-income farm worker families in southern Santa Clara County. Over time, the target population we serve has broadened to include low-income people who are seniors, disabled, single parents, families and homeless, and moderate-income households. Today, SCH's mission is: "To promote viable neighborhoods that enhance healthy, sustainable communities by collaboratively providing affordable housing and promoting neighborhood services."

From 1979 to 1987, SCH built 138 affordable housing units in seven projects. They included rental apartments and single-family, below-market-rate homes. In 1987, we also completed our first self-help project, a 16-unit single-family subdivision in Gilroy. The second self-help subdivision, 16 single-family dwellings in Morgan Hill, was completed in 1989. Both projects involved a self-help construction program that provided administration and construction supervision for groups of 10 to 12 families building their own and neighbors' homes. The California Housing Finance Agency (CalHFA), Santa Clara County, and the respective cities provided project funding.

After 1989, SCH began participating in the USDA-RD (formerly the Farmers Home Administration FmHA) 523/502 self-help construction program. In 1990 the SCH Board of Directors broadened our service area to allow us to address the affordable housing needs of neighboring communities in San Benito, Santa Cruz and Monterey counties. Between 1992 and 1999, with the financial backing of USDA-RD, the American Red Cross Disaster Relief Fund, and the Hollister Redevelopment Agency, SCH assisted 163 Hollister families in the construction of their self-help homes.

In 1994, South County Housing completed the Sunrise Meadows development, a 60-unit subdivision in Morgan Hill, and our first mixed-income community project. The success of Sunrise Meadows charted the course for South County Housing's future path, developing neighborhoods that provide a range of housing opportunities for people from all economic backgrounds. This approach has become our trademark.

What we've learned over our 33-year history is that we must provide people with more than a roof. If we are to truly build community, we know that we must provide people with the tools they need to make permanent changes in their lives. This starts with a safe and healthy home but also includes support services, educational opportunities and resident leadership development.

SCH is diverse in the types of developments produced. They include co-housing or shared living, single room occupancy (SRO), emergency and transitional housing, community facilities, and mixed-use and mixed-income housing. Our intent is to have multiple strategies that strengthen and
increase the opportunities local residents have to participate in, and contribute to, their communities through affordable housing. Each resident is encouraged to share their ideas to improve their neighborhood. Collective ideas contribute to positive neighborhood change. Resident leadership contributes to healthy communities, not only within the neighborhood but within surrounding neighborhoods and the community at large.

SCH values its connection and direct involvement with the communities it serves. Once construction is completed, and housing units are occupied, our involvement with the residents does not end. In every community we develop, SCH’s Neighborhood Development Department provides a solid service component that addresses the needs of each housing development’s residents, and gives the residents the opportunity to provide input. Neighborhood development actively helps residents by teaching them how to save for a home of their own, making affordable child care available, creating Neighborhood Watch programs and providing mentoring and tutoring help for children. Residents are encouraged to participate in, and are assisted in bringing on-site, activities for children, such as education, arts and crafts, health and safety, and sports programs. The goal of this approach is to build better communities by developing the residents’ sense of community, honing their leadership and life skills, and by offering activities that support healthy neighborhoods. SCH’s Neighborhood Development Department’s three full-time neighborhood developers assist residents in identifying community needs and priorities, and in securing resources to address those needs. Creating and sustaining a real sense of community in the neighborhoods we build is the true measure of our success.

To date, SCH has acquired, rehabilitated, and built 2,781 affordable units, including 1,147 single family homes, 1,510 rental apartments and three mobile home parks containing 124 homes. Through a sister corporation, South County Property Management (SCPM), 1,450 rental units receive professional rental and homeownership-association property-management and support services. SCPM also manages SCH commercial properties.

SCPM works to ensure the continued quality of life for residents of our multifamily rental projects, with the focus on the well-being and success of both individuals and families. It approaches its mission from a “Community Building” perspective, with compassion for the person. Like SCH, everything SCPM does, from finances to maintenance and tenant and community relations, revolves around the residents’ needs and well-being.

SCH’s governing board is made up of local volunteers representing the broad economic and social spectrums of the communities we serve. This group of dedicated community members is committed to building community by using affordable housing, support services, and neighborhood and economic development as the comprehensive approach needed to create more inclusive and stronger communities.

Throughout our service area, South County Housing is recognized as a strong and well-respected developer of affordable housing, a professional and growing property management firm, and as maintaining high levels of commitment to residents, neighborhoods and communities.

The attached list details the housing developments that SCH has constructed during our first 33 years of service to communities in a four-county area.
# South County Housing Corporation Development History January 17, 2012

<table>
<thead>
<tr>
<th>Project Name</th>
<th>City</th>
<th>County</th>
<th>New Con/Rehab</th>
<th>Total # Units</th>
<th>Resident Incomes</th>
<th>Final Cost</th>
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1/17/2012
## South County Housing Corporation Development History January 17, 2012

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<tr>
<th>Project Name</th>
<th>City</th>
<th>County</th>
<th>New Con/Rehab</th>
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<th>Resident Incomes</th>
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<td>$264,623,801</td>
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### Single Family

#### 2011

| Madrone Plaza 78          | Morgan Hill | Santa Clara | New Construction | 78            | low to market    | $41,627,789      |
| Hillview                  | Hollister   | San Benito  | New Construction  | 25            | very low to low  | $7,073,256       |
|                          |            |            |                | 103           |                  | $48,701,045      |

#### 2009

| Alexander Place - Bldg. 1 | Gilroy     | Santa Clara | Demolition-New Construction | 8            | low to moderate  | $2,160,000       |
|                          |            |            |                              | 8            |                  | $2,160,000       |

#### 2007

| Forest Park               | Gilroy     | Santa Clara | Demolition & New Construct  | 39           | median to market | $21,101,000      |
|                          |            |            |                              | 39           |                  | $21,101,000      |

#### 2006

| Viale                     | Morgan Hill | Santa Clara | New Construction            | 10           | Low to Mod       | $4,480,000       |
| Morgan Station            | Morgan Hill | Santa Clara | New Construction            | 17           | Low to Market    | $9,724,350       |
| Royal Court-Phase I       | Morgan Hill | Santa Clara | New Construction            | 12           | Low to Market    | $6,620,000       |
|                          |            |            |                              | 39           |                  | $20,824,350      |

#### 2005

| Boronda Oaks              | Boronda    | Monterey   | New Construction            | 22           | Low to Mod       | $6,419,043       |
| Kents Court               | Pajaro     | Monterey   | Temporary Construct         | 19           | Very Low & Low   | $1,611,000       |
|                          |            |            |                              | 41           |                  | $8,030,043       |

#### 2004

| La Maestra                | Gilroy     | Santa Clara | New Construction            | 12           | Moderate         | $5,648,000       |
| Trimble Court             | Gilroy     | Santa Clara | New Construction            | 13           | Market           | $7,755,481       |
| Corralitos Creek Townhomes| Freedom    | Santa Cruz  | New Construction            | 35           | Moderate         | $12,700,000      |
|                          |            |            |                              | 60           |                  | $26,103,481      |

#### 2003

| Los Arroyos Phase IV      | Gilroy     | Santa Clara | New Construction            | 22           | Low              | $5,350,000       |
|                          |            |            |                              | 22           |                  | $5,350,000       |

#### 2002

<p>| Riverview Homes           | Hollister  | San Benito  | New Construction            | 26           | Very Low &amp; Low   | $3,300,000       |
|                          |            |            |                              |              |                  | 4                |</p>
<table>
<thead>
<tr>
<th>Project Name</th>
<th>City</th>
<th>County</th>
<th>New Con/Rehab</th>
<th>Total # Units</th>
<th>Resident Incomes</th>
<th>Final Cost</th>
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### South County Housing Corporation Development History January 17, 2012

<table>
<thead>
<tr>
<th>Project Name</th>
<th>City</th>
<th>County</th>
<th>New Con/Rehab</th>
<th>Total # Units</th>
<th>Resident Incomes</th>
<th>Final Cost</th>
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1/17/2012
Dennis Lalor, President and CEO, South County Housing Corporation – 1986 to present
7455 Carmel Street, Gilroy, CA 95020. 408-842-9236. dennis@scounty.com

Relevant Work Experience
1997-Present, President and CEO: Reporting to a Board of Directors, provides general oversight for all housing development, property management, neighborhood services, and housing construction. Responsible for overall management of two corporations (South County Housing Corporation and South County Property Management Corporation) with a total of 90 staff persons, and a portfolio of over 2,500 single-family, multi-family, and commercial units. Serves as spokesperson for South County Housing and affordable housing advocacy in general at the local, state, and national levels. Accomplishments include directing acquisition of and planning for the groundbreaking 380-unit "Los Arroyos" mixed income, mixed use subdivision. Presided over sixty percent staff growth and expansion of service area into Monterey and Santa Cruz counties, the development of 1,500 housing units and a pipeline of 900 units in construction or predevelopment through 2013. Completed a successful merger with Pajaro Valley Housing Corporation that included the integration of staff and board directors between the two organizations.

1990-1997, Director of Housing Development: Initiated South County Housing's development of self-help single family homes under USDA 502 and State of California programs. Instrumental in obtaining the organization's first low-income housing tax credit awards, and multi-family acquisition and rehabilitation projects. Oversaw the development of 550 housing units. Implemented the corporation's first development project management and reporting systems and instrumental in obtaining a corporate contractor's licensing and instituting a single family general contracting division within SCH.

1986-1990, Housing Rehabilitation Program Manager

Education: B.A. San Jose State University, 1970
Licenses: General Building Contractor B538871 and B546353
Accomplishments

➢ Three years working at South County Housing as a Real Estate Department Senior Project Manager, responsible for property acquisition, entitlements, budgets & financing, hiring and directing consultants including architects and engineers, project close-out and coordinating in-house construction, marketing and hand-off to property management. Projects have included:

  o Twenty-five home Hillview low income self help subdivision in Hollister completed in 2011, with a budget of over $7MM. Project financing included a USDA 523 TA grant and 502 mortgages, Federal Home Loan Bank AHP, HCD CalHome, Hollister Redevelopment Agency funds and a construction loan from Rural Community Assistance Corporation. After all funding and entitlements were in place, site work and unit construction on all twenty-five homes were completed in less than two years and the project came in under budget.

  o Thirty-one unit low and very low income apartment project in Hollister completed in 2011, with a budget of over $11MM. Project financing included HCD HOME, 9% tax credits, Hollister Redevelopment Agency funds and a construction loan from Rural Community Assistance Corporation. Pre-development, financing, construction and rent-up on this project was completed in less than two and a half years and the project was $350,000 under budget.

  o Currently in pre-development on a 30 home low income self help subdivision in Hollister, with a budget of over $8MM. The tentative map has been approved and final map documents have been submitted to the City for review. Financing awarded includes a USDA 523 TA grant for $820,000 (which qualifies the project for USDA 523 self help mortgages), $1.5MM in CalHome and $450,000 in HUD SHOP administered by the Housing Assistance Council. We are also anticipating receiving $1.2MM from the Hollister Redevelopment Agency. SCH has received over 120 applications from prospective self help buyer-builders and we are in the process of packaging loans.

➢ Over fourteen years, grew South County Housing’s construction department from a grassroots non-profit into a highly organized and professional regional general contractor.

➢ Successfully oversaw construction budgets totaling $142,000,000 (1,023 residential units), with direct project management on $90,000,000 (703 units), saving the company millions of dollars.

➢ Built a strong internal team and a loyal group of subcontractors, all dedicated to producing excellence in residential construction, consistently delivering homes with zero punch list items at buyer inspection walk.
➢ Worked collaboratively with owners’ reps and design consultants to create award winning neighborhoods that were cost effective to construct.

➢ Developed and implemented consistent in-house procedures for tracking budgets and schedules to assure project success, including the implementation of a new construction specific accounting system.

➢ Created and brought on line a documented in-house quality assurance program to explicitly guarantee the excellence of homes constructed.

➢ A dedication to environmentally aware construction as a Build It Green trained "Certified Green Building Professional," completing Introductory and Advanced classes.

➢ Implemented a construction safety program featuring peer job site inspections with all staff OSHA certified.

➢ Administered a Mutual Self Help building program, where owners' sweat equity was their down payment. This challenging and dynamic human process produces palpable changes in people’s lives and has been extremely satisfying to be involved with.

Work Experience

2009 - Present  Senior Project Manager, Real Estate Department, South County Housing and South County Community Builders, Gilroy, California
Responsibilities include project management of multi family and single family projects, including site acquisition, creating and managing project budgets and schedules, obtaining funding sources, negotiating bank loans, closing escrows, hiring and directing design consultants, obtaining entitlements, overseeing general contractors, coordinating with Marketing Department and Property Management at sales or lease-up and project close-out, and overall implementation of USDA 523 Self Help Technical Assistance grants.

2003 - 2009 Construction Program Manager, South County Housing and South County Community Builders, Gilroy, California
In addition to continuing responsibility for construction management on specific projects (see attached), Mr. Capron had overall oversight and responsibility for all in-house General Contracting, including apartment projects, subdivisions of detached and attached single family homes, full residential rehab jobs and mobile home parks. Supervised staff has included up to two construction managers, a field staff of seven superintendents and six office support staff. Responsibilities included administration of South County Housing’s USDA Technical Assistance Grant for Self Help construction and SCH’s Customer Service Department.

1995 - 2003 Construction Manager, South County Housing, Gilroy, California
South County Housing is a non-profit affordable housing developer. Mr. Capron was directly responsible for the construction management of site
work (streets and utilities) and unit construction at seventeen projects, totaling 703 units. Most projects have been a blend of Self-Help homes (309 units) and units on which South County Housing acts as general contractor, subcontracting out all trades (397 homes).

The Self-Help process involves self-performing with mutual self-help labor on framing, interior and exterior carpentry finish work, painting, roofing, fencing and landscaping. Mr. Capron's responsibilities include developing and administering unit & site work budgets; directing architects, designers and engineers in the preparation of unit & site improvement plans; value engineering; permits and entitlements; soliciting bids; negotiating and writing contracts; managing subs; hiring, training and overseeing self-help Construction Supervisors; hiring and managing production unit Superintendents; developing and implementing policies and procedures for the Self-Help program and overall construction administration; safety program; contracts and contract law; warranty program and SB800; construction insurance issues; invoice approvals; and administering bank draws.

1987 – 1995 Capron Custom Homes, General Building Contractor, Owner
Single family homes & additions/remodels. Hands-on builder with a crew of three employees, self-performing on foundations, framing, plumbing, electrical, painting, sheet metal and finish work. As a design-builder, worked with clients to establish project needs and created CAD construction drawings. Responsibilities included material take-off and ordering, hiring and firing of employees, overall job coordination and scheduling, and managing of subs, pulling permits, keeping all books (including payroll), preparing bids and writing contracts. Custom homes included complete site development, with septic, water wells and driveways.

1985 - 1987 Holman Construction, Aromas, CA
Job Foreman and journeyman on single family dwellings doing foundations, framing, plumbing, electrical, painting, sheet metal, finish work, material take-off and ordering, and supervision of subcontractors.

1983 - Self-employed builder
1985 Employed by owner-builders of single family dwellings, with responsibility for job coordination, foundation, framing, plumbing and finish work.

1983 Sun Systems, Aromas, CA
Solar hot water system installer and journeyman carpenter, solar homes.

1978 -1982 Journeyman Carpenter on three single family dwellings.

1976 -1979 Part-time ceramics instructor, Gavilan College, Gilroy, CA

1970 -1979 Self employed studio potter
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<th>Apartments</th>
<th>Rehab</th>
<th>Mobile Homes</th>
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AGREEMENT CONCERNING

USE OF CDBG FUNDS
RESOLUTION NO. 12-04

SOUTH COUNTY HOUSING CORPORATION
CORPORATE AUTHORIZING RESOLUTION
RE: BORROWING OF FUNDS
CAMPHORA APARTMENTS DEVELOPMENT

TO OBTAIN A LOAN FROM MONTEREY COUNTY FOR ACQUISITION / REHAB.

THE GOVERNING BOARD OF DIRECTORS OF SOUTH COUNTY HOUSING CORPORATION AUTHORIZES THE SIGNING OF A DEVELOPMENT AGREEMENT FOR A LOAN FROM MONTEREY COUNTY, THE INCURRING OF AN INDEBTEDNESS, THE EXECUTION OF A LOAN AGREEMENT AND ANY AMENDMENTS THERETO, A PROMISSORY NOTE AND ANY OTHER DOCUMENTS NECESSARY TO SECURE A LOAN FROM MONTEREY COUNTY.

WHEREAS, South County Housing Corporation (hereinafter referred to as "Corporation") is a non-profit public benefit corporate entity established under the laws of California and empowered to own property, borrow money and give security for loans.

WHEREAS, Monterey County is eligible to apply for federal Community Development Block Grant (CDBG) funds, including funds for the Acquisition and Rehabilitation of low and very low income housing projects, and desires to make subsequent loans of those funds to non-profit sub-recipients.

WHEREAS, the Corporation is dedicated to developing affordable housing in Monterey County and in order to develop affordable housing, the Corporation requires capital in the form of grants or loans in order to perform development activities.

WHEREAS, the Corporation desires to enter into agreements for funding in the amount of $925,000 from Monterey County’s CDBG program to be used to pay down the existing seller carryback acquisition loan and make improvements to the on-site domestic water system at the Camphora Apartments (hereinafter referred to as "Project") on the property located at: 32101 McCoy Road, Unincorporated Monterey County, CA 93960.
BE IT NOW THEREFORE RESOLVED THAT:

1. The Corporation shall enter into a sub-recipient Development Agreement with Monterey County which will provide for a loan for acquisition and rehab at the Project which is located in the County of Monterey in the State of California.

2. The Development Agreement will be written to be contingent on Monterey County being awarded CDBG funds for this project from the California Housing and Community Development Department’s Community and Economic Development Section.

3. If the loan is approved, the Corporation is hereby authorized to incur indebtedness in an amount not to exceed $925,000 and to enter into any and all necessary loan documents with Monterey County for the purpose set forth in the Development Agreement. It also may give a promissory note and executed security and other instruments required by Monterey County to evidence and secure the indebtedness.

4. The Corporation authorizes and directs the President/CEO, or any officer of the Corporation, acting alone, on behalf of the Corporation, to execute any and all necessary documents, including, but not limited to the Development Agreement, loan agreements, deeds of trust, promissory notes, regulatory agreements and any other agreements, and any and all documentation for the disbursement of funds required by Monterey County to make and secure the loan and any amendments thereto.

PASSED AND ADOPTED this 12th day of March, 2012, by the following vote:

AYES: 8  NAYS: 0  ABSTAIN: 0  ABSENT: 3

Certification

The undersigned, Dianne Dudek, Secretary of the Corporation, here before named, does hereby attest and certify that the foregoing is a true and full copy of a resolution of the Board of Directors adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended, or repealed.

3/12/12

Date

Dianne Dudek, Secretary of the Corporation
SITE CONTROL

DOCUMENTATION
RECORDING REQUESTED BY
First American Title Insurance Company National
Commercial Services

AND WHEN RECORDED MAIL DOCUMENT TO:
South County Housing Corporation
7455 Carmel St
Gilroy, CA 95020

A.P.N.: 257-031-005-000

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX §Fior requests that transfer tax not be recorded.; CITY TRANSFER TAX $;
SURVEY MONUMENT FEE $
[ ] computed on the consideration or full value of property conveyed, OR
[ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale;
[ x ] unincorporated area; [ ] City of , and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Camphora Apartments, LLC, a California limited liability company

hereby GRANTS to South County Housing Corporation, a California nonprofit public benefit corporation

the following described property in the Unincorporated Area of: , County of Monterey, State of California:

THAT PORTION OF LOTS C AND D OF LOT 4 OF THE RANCHO SAN VICENTE, IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED WITH THE FINAL DECREE OF PARTITION, IN VOLUME 39, PAGE 1, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO A. CALETISEN, ET UX,Recorded in Volume 1593, Page 115, OFFICIAL RECORDS OF SAID COUNTY WITH THE NORTHEASTERLY LINE OF CALIFORNIA STATE HIGHWAY 101, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN VOLUME 1703, PAGE 401, OFFICIAL RECORDS; THENCE ALONG SAID HIGHWAY LINE,

(1) SOUTH 51° 32' EAST, 62.24 FEET (DESCRIBED "64.99 FEET" IN LAST SAID DEED) TO A 6 X 6 CONCRETE MONUMENT; THENCE

(2) ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 4,887 FEET, THROUGH AN ANGLE OF 4° 04' 30", AN ARC DISTANCE OF 347.57 FEET; THENCE

(3) NORTH 41° 58' 30" EAST, 437.0 FEET; THENCE

(4) NORTH 22° 15' WEST, 205.5 FEET; THENCE

(5) NORTH 77° 23' 10" WEST, 249.8 FEET TO THE EASTERLY CORNER OF SAID LAND OF CALETISEN; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND

(6) SOUTH 42° 39' 40" WEST, 441.3 FEET TO THE POINT OF BEGINNING.

Mail Tax Statements To: SAME AS ABOVE
A.P.N.: 257-031-005-000

Dated: 10/22/2010

Camphora Apartments, LLC, a California limited liability company

By: Rick Stemple, Its Manager

STATE OF California )
COUNTY OF Butte )

On October 25, 2010, before me, Mary A. Thompson, Notary Public, personally appeared Rick Stemple, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Mary A. Thompson

My Commission Expires: Aug 27, 2014

Notary Name: Mary A. Thompson
Notary Registration Number: 1901402

Notary Phone: (530) 893-5444
County of Principal Place of Business: Butte
First American Title Company
Escrow No.: NVS-334774-SC

Recording requested by
and when recorded mail to:

Camphora Apartments, LLC
2105 E. 8th Street
Chico, CA 95928

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(This Deed of Trust contains an acceleration clause)

This DEED OF TRUST made on October 22, 2010, between South County Housing Corporation, a California not for profit corporation, herein called TRUSTOR, whose address is 7455 Carmel Street, Gilroy, California, 95020, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and Camphora Apartments, LLC, a California limited liability company, herein called BENEFICIARY.

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the County of Monterey, State of California (the “Property”), described as:

SEE EXHIBIT A, ATTACHED HERETO AND MADE A PART HEREOF

FOR LEGAL DESCRIPTION

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, for the purpose of securing (1) payment of the sum of $1,205,000 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the
County recorder of the county where said property is located, noted below opposite the name of such county, namely:

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shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference hereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

If the trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trustor

South County Housing Corporation, a California not for profit corporation.

By: ____________________________

Its: ____________________________
EXHIBIT A

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Monterey, State of California, described as follows:

THAT PORTION OF LOTS C AND D OF LOT 4 OF THE Rancho San Vicente, IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED WITH THE FINAL DEGREE OF PARTITION, IN VOLUME 39, PAGE 1, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO A. Caletisen, ET UX, RECORDED IN VOLUME 1593, PAGE 115, OFFICIAL RECORDS OF SAID COUNTY WITH THE NORTHEASTERLY LINE OF CALIFORNIA STATE HIGHWAY 101, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN VOLUME 1703, PAGE 401, OFFICIAL RECORDS; THENCE ALONG SAID HIGHWAY LINE,

(1) SOUTH 51° 32' EAST, 62.24 FEET (DESCRIBED "64.99 FEET" IN LAST SAID DEED) TO A 6 X 6 CONCRETE MONUMENT; THENCE

(2) ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 4,887 FEET, THROUGH AN ANGLE OF 4° 04' 30", AN ARC DISTANCE OF 347.57 FEET; THENCE

(3) NORTH 41° 58' 30" EAST, 437.0 FEET; THENCE

(4) NORTH 22° 15' WEST, 205.5 FEET; THENCE

(5) NORTH 77° 23' 10" WEST, 249.8 FEET TO THE EASTERN CORNER OF SAID LAND OF CALETISEN; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND

(6) SOUTH 42° 39' 40" WEST, 441.3 FEET TO THE POINT OF BEGINNING.

APN: 257-031-005-000
CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF California
COUNTY OF Santa Clara

On October 22, 2010 before me, L. Tugade, Notary Public, personally appeared

Dennis Lalor

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

L. Tugade

Commission # 1838587
Notary Public - California
Santa Clara County
My Comm. Expires Feb 26, 2013

This area for official notarial seal.

OPTIONAL SECTION
CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

☐ INDIVIDUAL
☐ CORPORATE OFFICER(S) TITLE(S)
☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER
SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT:

NUMBER OF PAGES DATE OF DOCUMENT:

SIGNER(S) OTHER THAN NAMED ABOVE
DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law, to cultivate, irrigate, fertilize, farm, graze and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: recover any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary shall also deposit with Trustee the deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any, covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereeto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

Do not record

REQUEST FOR FULL RECONVEYANCE

TO FIRST AMERICAN TITLE INSURANCE COMPANY, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: ________________________________

____________________________________

Please mail Deed of Trust, Note and Reconveyance to ________________________________

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.
LETTERS OF SUPPORT

SOLEDAD FIRE DEPARTMENT

INFLAND ENGINEERS
March 6, 2012

To Whom It May Concern:

This letter is being written in support of Monterey County's Community Development Block Grant (CDBG) application for an acquisition/rehabilitation grant for the Camphora Labor Camp. The camp is located just north of the City of Soledad in the Mission Soledad Rural Fire Protection District, for which the City of Soledad Fire Department provides contractual fire services. This fifty year old camp currently does not have any significant water storage facilities for fire protection. With the camp being three miles outside of the city, it is not connected to the city water system. The only current on-site storage consists of an approximately 3,000 gallon tank.

Considering that the labor camp consists of forty-four apartment units, mostly occupied by families, this amount of storage is completely inadequate to meet fire fighting needs. My representative, Battalion Chief John Owens, has met with South County Housing project manager Seth Capron and project civil engineer David Heinrichsen of 1fland Engineers and discussed their plans for making improvements to the domestic water system. The planned installation of a 60,000 gallon storage tank with approved fire department connections would result in a significant improvement in the fire department’s ability to fight a fire on the site, and in the safety of the residents.

We are very much in support of the application for funding which would make these improvements possible.

If you have any questions or wish to discuss the matter further feel free to contact me at (831) 333-2600.

Sincerely,

RICHARD C. HUTCHINSON JR.
Fire Chief
February 28, 2012

Mr. Seth Capron  
South County Housing  
7455 Carmel Street  
Gilroy, CA 95020

RE: Camphora - Proposed Upgraded Domestic Water Pressure System

Seth,

I am writing in response to your request for a statement from me, as project engineer, about why additional storage and pumping facilities are needed in order to provide a secure domestic water supply to the residents of the Camphora site.

The existing water system at Camphora consists of a high-production well with a 5 to 7 horsepower submersible pump that pumps the water out of the well, at a flow rate of 500 gallons per minute, and pressurizes the domestic water system utilizing a small number of captive air pressure tanks. The pressure tanks maintain water system pressure within a preset range, thereby providing the short intervals when the well is not pumping.

There is no above ground storage for domestic use currently available. The current system provides no backup source of domestic water in the event of a well pump failure. The existing tank, which has an estimated capacity of approximately 3,000 gallons, is filled by the well but is not connected to the domestic system. The 3,000 gallon capacity of the existing water storage tank is not adequate to meet the fire suppression needs of a forty-four unit apartment project. It is only capable of providing about 3 minutes of water supply for fire suppression, at 1,500 gpm (if the well is also running).

With the existing configuration, the well pump cycles on and off frequently. This pattern of frequent starts and stops is very hard on the pump and motor and can result in excessive wear on the pump, requiring more frequent servicing and could lead to early failure of the pump motor. Because this is a submersible pump hanging in the well casing, any interruption in pump operation will result in a complete shut down of the water system until the pump can be pulled out of the well and serviced.

Construction of a water storage tank and domestic pressure system as described in the “Preliminary Cost Estimate for Camphora Apartments Booster Pump and Water Storage Tank” prepared by us yesterday, would create the following benefits for the project:

1. The proposed upgrades to the water system will provide new pumps above grade; with the well pump set to deliver water to the 60,000 gallon tank with longer periods between pumping cycles than currently take place.

2. The new system will include three (3) pumps, creating a redundancy which will allow the system to continue to operate, even if one of the pumps needs to be serviced.
3. The variable frequency drive pumps will also be capable of constant running at variable production, which will result in smaller captive air pressure tank volume requirements.

4. When the storage tank needs to be emptied for cleaning or servicing, the system will be able to be configured so that it can be switched to temporarily operate directly off of the well pump.

The new 60,000 tank will provide a greatly enhanced fire flow. When coupled with the 500 gallons per minute that is provided by the well, a flow of 1,500 gallons per minute will be available for 60 minutes.

I strongly recommend construction of the improvements discussed above as soon as funding becomes available.

Please contact me immediately if you have any questions or comments regarding this letter.

Sincerely,

David Heinrichsen
AGREEMENT CONCERNING USE OF CDBG FUNDS
(Camphora Highlands)

This Agreement Concerning Use of CDBG Funds (the "Agreement") is entered into as of March 27, 2012 (the "Effective Date"), by and between the County of Monterey, a political subdivision of the State of California (the "COUNTY"), and South County Housing Corporation, a 501 (c) (3) non-profit corporation ("BORROWER"), with reference to the following facts:

A. The COUNTY is applying for Community Development Block Grant ("CDBG") funds from the State of California Department of Housing and Community Development ("HCD"). HCD receives CDBG funds from the United States Department of Housing and Community Development ("HUD") under Title I of the Housing and Community Development Act of 1974, as amended ("CDBG Funds"). Such funds must be used by the COUNTY in accordance with 24 C.F.R. Part 570 et seq. Furthermore, if CDBG Funds are granted to the COUNTY, HCD and the COUNTY will enter into a Standard Agreement (the "CDBG Standard Agreement") which will govern the use of the CDBG Funds by the COUNTY. The COUNTY requires BORROWER to comply with all applicable conditions imposed by the CDBG Standard Agreement. If the COUNTY is awarded a State CDBG award for this project ("PROJECT"), the CDBG Standard Agreement shall be attached to this Agreement as Exhibit A.

B. If the COUNTY application for CDBG Funds is not awarded, this Agreement shall terminate without further action necessary on the thirtieth (30th) day following notification to the COUNTY of such non-award of grant funds.

C. BORROWER currently owns property located at 32101 McCoy Road, Soledad, CA 93960, commonly referred to as the Camphora Highlands Farm Labor Camp ("PROPERTY") which is currently developed with 43-units of farm worker housing, a manager’s unit and a community center.

D. The PROJECT, for purposes of this Agreement, is to enable the refinancing of CDBG-eligible acquisition costs and to install necessary upgrades to the PROPERTY’s existing water storage and distribution system, in order to meet minimum code requirements.

E. BORROWER wishes to borrow from the COUNTY and the COUNTY wishes to extend to BORROWER a loan of Nine Hundred Twenty Five Thousand Dollars ($925,000) (the "Loan"). The Loan will be funded with CDBG Funds that the COUNTY is applying for as described in Recital A. The Loan, if funded, will be evidenced by a promissory note executed by BORROWER in favor of COUNTY and secured by a deed of trust.

F. The Loan is being made to refinance seller financing incurred by BORROWER when the BORROWER initially purchased the PROPERTY and to make upgrades to the PROPERTY’s existing water storage and distribution system in order to meet code requirements. The Loan is necessary to help the overall financial feasibility of the PROPERTY and to maintain the supply of affordable farm worker housing in Monterey County. Due to the assistance provided BORROWER pursuant to this Agreement, if the CDBG Grant is awarded and the Loan funded,
the COUNTY will classify the farm worker housing as CDBG-assisted units (the "COUNTY Assisted Units").

G. The use of CDBG funds for the PROJECT will subject the PROJECT to the requirements of the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) ("CEQA"). As a condition of entering into this Agreement, the BORROWER agrees to complete CEQA review for all uses of the Loan proceeds before taking any choice limiting action.

H. The use of CDBG funds for the PROJECT will subject the PROJECT to the requirements of the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347) ("NEPA"). As a condition of entering into this Agreement, the BORROWER agrees to complete NEPA review for all uses of the Loan proceeds before taking any choice limiting action.

NOW, THEREFORE, the Parties agree as follows:

Article 1.
DEFINITIONS AND EXHIBITS

Section 1.01 Definitions:

The following capitalized terms have the meanings set forth in this Section 1.01 wherever used in this Agreement, unless otherwise provided:

(a) "Agreement" shall mean this COUNTY CDBG Agreement.

(b) Approved PROJECT Budget" shall mean the proforma PROJECT budget, including sources and uses of funds, as approved by the COUNTY, and attached hereto and incorporated herein as Exhibit C.

(c) "BORROWER" shall have the meaning set forth in the first paragraph of this Agreement.

(d) "CDBG" shall mean the Community Development Block Grant program pursuant to Title I of the Housing and Community Development Act of 1974, as amended.

(e) "CDBG Funds" shall mean the Nine Hundred Twenty Five Thousand Dollars) Loan that is funded with CDBG funds.

(f) "CDBG Standard Agreement" is defined in Recital A.

(g) "COUNTY" shall mean the County of Monterey, a political subdivision of the State of California.

(h) "COUNTY Assisted Units" shall mean the forty one (41) units to be regulated by the County pursuant to the Regulatory Agreement.

(i) "Default" shall have the meaning set forth in Section 7.01 below.
(j) "Default Rate" shall have the same meaning as defined in Section 3.02(b).

(k) "Hazardous Materials" shall have the meaning set forth in Section 5.16 below.

(l) "Hazardous Materials Claim" shall have the meaning set forth in Section 5.16 below.

(m) "Hazardous Material Law" shall have the meaning set forth in Section 5.16 below.

(n) "HUD" shall mean the United States Department of Housing and Urban Development.

(o) "Loan" shall mean the COUNTY loan to BORROWER pursuant to this Agreement in the aggregate principal amount of Nine Hundred Twenty Thousand Dollars ($925,000) comprised of the CDBG Funds.

(p) "Loan Documents" shall mean this Agreement, the Note, the Regulatory Agreement, the Deed of Trust, and the CDBG Standard Agreement.

(q) "Note" shall mean certain Promissory Note evidencing BORROWER's obligation to repay the Loan, in a form to be provided by the COUNTY, to be executed by BORROWER prior to any COUNTY funding of the Loan.

(r) "Parties" shall mean the COUNTY and BORROWER.

(s) "Project" shall mean the refinancing of the Property's CDBG's eligible acquisition costs and the installation of necessary upgrades to the PROPERTY's existing water storage and distribution system, in order to meet minimum code requirements.

(t) "Property" shall have the same meaning as described in Recital C.

(u) "Regulatory Agreement" shall mean the Regulatory Agreement and Declaration of Restrictive Covenants between the COUNTY and the BORROWER associated with the Loan, in a form to be provided by the COUNTY and to be executed and recorded against the PROJECT prior to any disbursement of the Loan.

(v) "Retention Amount" shall mean ten percent (10%) amount of CDBG Loan funds allocated for construction costs as shown in Exhibit C and set forth in Section 3.07 below.

(w) "Seller" shall mean Camphora Apartments, LLC, whose managing and participating partners are Alan and Patti Stemple.

(x) "Term" shall mean the term of the Loan commencing on the date of this Agreement and continuing for the greater of fifty-five years or the expiration of the term imposed by other State funding requirements.

(y) "Transfer" shall have the meaning set forth in Section 5.15 below.
Section 1.02 Exhibits:

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

EXHIBIT A: CDBG Standard Agreement, to be attached if the COUNTY receives a CDBG funding award for this PROJECT.
EXHIBIT B: Legal Description of the Property.
EXHIBIT C: Approved PROJECT Budget.
EXHIBIT D: CDBG Milestones, Local Leverage, and Grant File Required Documents, to be attached if the COUNTY receives a CDBG funding award for this PROJECT.

Article 2.
SCOPE OF SERVICES

Section 2.01 Activities:

BORROWER will be responsible for administering CDBG funds awarded for purposes of the Project in a manner satisfactory to the COUNTY and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program.

Section 2.02 Program Delivery:

Activity #1: BORROWER will use a total of Seven Hundred Seventy Seven Thousand Dollars ($777,000) to reduce outstanding debt incurred in the acquisition of the Camphora Highlands Farm Labor Camp from Seller. In conjunction with such refinancing, Seller's Note dated ______ shall be amended to provide for a minimum term of fifteen years.

Activity #2: BORROWER will use up to Two Thousand Dollars ($2,000) for title and legal fees associated with implementing Activity #1.

Activity #3: BORROWER will use up to One Hundred Thirty One Thousand One Hundred Fifty Dollars ($131,150) in CDBG Funds to make permanent improvements to the Camphora Highlands Farm Labor Camp water storage and distribution system.

Activity #4: BORROWER will use Fourteen Thousand Eight Hundred Fifty Dollars ($14,850) for wage monitoring and project management.

Section 2.03 National Objectives:

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of
slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

BORROWER certifies that the activities carried out under this Agreement will benefit low- and moderate-income persons. The reduction of the acquisition debt and the installation of improvements to the water storage system will help the BORROWER retain the PROPERTY as affordable housing for low- and moderate-income households.

Article 3.
LOAN PROVISIONS

Section 3.01 Loan:

If awarded CDBG funds for the Project, the COUNTY shall loan to the BORROWER funds for the purposes set forth in Section 2.02 of this Agreement. The obligation to repay the Loan shall be evidenced by the Note in the form provided by the COUNTY.

(a) Annual Monitoring Fee: If awarded CDBG funds for the Project, BORROWER agrees to pay to the COUNTY an Annual Monitoring Fee of Four Thousand Dollars ($4,000). The Annual Monitoring Fee shall be due and payable annually beginning on the first of anniversary of the Promissory Note.

Section 3.02 Interest:

(a) Subject to the provisions of Section 3.02(b) below, the outstanding principal balance of the Loan shall accrue simple interest at the rate of three percent (3%) per annum, commencing on the date of disbursement.

(b) In the event of a Default, interest on the Loan shall begin to accrue, as of the date of Default and continuing until such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%) per annum or the highest rate permitted by law (the "Default Rate").

Section 3.03 Source of Loan funds:

It is understood by BORROWER that the only funds the COUNTY may have to fund this loan will be CDBG Funds for which the COUNTY has applied to HCD to receive. Notwithstanding any other provision of this Agreement, the obligation of the COUNTY to fund the Loan shall be limited to the amount of CDBG Funds it receives from HCD, if any, pursuant to a CDBG Standard Agreement which authorizes CDBG Funds to be used to assist in the implementation of the PROJECT. If HCD reduces the amount of CDBG Funds provided to the COUNTY for the PROJECT, the COUNTY and BORROWER agree to amend this Agreement to reflect such reduction in the Loan amount.
Section 3.04 Use of Loan Funds:

(a) Proceeds of the Loan may be used only for reduction of the Seller’s Note and construction costs of the PROJECT as set forth in the Approved PROJECT Budget attached as Exhibit C to this Agreement, unless the COUNTY approves in writing a different use of the funds. The Approved PROJECT Budget may be amended by BORROWER with the prior written consent of the COUNTY, pursuant to Section 4.16 below, which consent shall not be unreasonably withheld.

(b) BORROWER shall not use the Loan for any other purposes without the prior written consent of the COUNTY.

Section 3.05 Security:

BORROWER shall secure its obligation to repay the Loan, as evidenced by the Note, by executing a Deed of Trust. The Deed of Trust shall be recorded against the PROPERTY prior to any disbursement of the Loan. The COUNTY shall subordinate the Deed of Trust to the deed of trust securing the Seller’s Note, provided it receives notice and cure rights under the Seller’s Note, pursuant to a subordination agreement reasonably acceptable to the COUNTY. BORROWER shall also cause or permit the Regulatory Agreement to be recorded against the PROPERTY prior to or concurrent with the first disbursement of Loan proceeds to BORROWER.

Section 3.06 Condition Precedent to Disbursement of Loan Proceeds:

The maximum amount of funds to be disbursed pursuant to this Section 3.06 shall not exceed the amount of the Loan. The COUNTY shall not be obligated to make any disbursements of Loan funds for the PROJECT or take any other action under the Loan Documents unless the following conditions precedent are satisfied prior to each such disbursement of Loan funds:

(a) The COUNTY and HCD have entered into the CDBG Standard Agreement;

(b) There exists no Default nor any act, failure, omission or condition that would constitute an event of Default under this Agreement or the CDBG Standard Agreement.

(c) BORROWER holds Title to the PROPERTY;

(d) BORROWER has delivered to the COUNTY a copy of a corporate resolution authorizing BORROWER's execution of the Loan Documents;

(e) BORROWER has furnished the COUNTY with evidence of the insurance coverage meeting the requirements of Sections 5.06 and 5.07 below;
(f) BORROWER has caused to be executed and delivered to the COUNTY all COUNTY Loan Documents and any other instruments and policies required under the Loan Documents;

(g) The deed of Trust and the Regulatory Agreement have been recorded against the PROPERTY in the Office of the Recorder of the County of Monterey;

(h) All environmental reviews under NEPA and CEQA, as necessary for the PROJECT, have been completed and appropriate findings and determinations made;

(i) The COUNTY has determined that the undisbursed proceeds of the Loan are not less than the amount that is necessary to pay for development of the PROJECT and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement;

(j) BORROWER has obtained all permits and approvals necessary for the PROJECT, as required by Section 4.01, and the COUNTY has received a copy of any building or other permit required for any construction related to the PROJECT (required for disbursements for construction costs only);

(k) BORROWER has paid all fees charged by the COUNTY in connection with the PROJECT;

(l) The COUNTY has received and approved plans and specifications for the PROJECT, as applicable;

(m) The COUNTY has received and approved the general contractor's construction contract that the BORROWER proposes to enter into for any construction required by the PROJECT as required pursuant to Section 4.02 below;

(n) The COUNTY has received copies of labor and material (payment) bonds and performance bonds as required pursuant to Section 4.03 below;

(o) The COUNTY has received a written draw request from BORROWER, including certification that the condition set forth in Section 3.06(c) continues to be satisfied and setting forth the proposed uses of funds consistent with the Approved PROJECT Budget, the amount of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with improvements on the Property, the written request must be accompanied by (i) certification by BORROWER that the work for which disbursement is requested has been completed (although the COUNTY reserves the right to inspect the PROPERTY and make an independent evaluation); (ii) certification by the County's Building Inspection Department that the work has been inspected and accepted; and (iii) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the COUNTY; and
(p) BORROWER has complied with all of the requirements and submitted such reports described in the document entitled "CDBG Milestones, Local Leverage, and Grant File Requirement Documents" attached hereto as Exhibit D, to the extent applicable to such disbursement.

Section 3.07 Conditions Precedent to Disbursement of Retention:

The COUNTY shall not be obligated to disburse the final ten percent (10%) retention amount of the Loan allocated for construction costs unless the following conditions precedent are satisfied:

(a) The COUNTY has received a completion report from the BORROWER setting forth the income, household size, disability status, age demographics and ethnicity of tenants of all CDBG Units and the unit size, rent amount and utility allowance for all CDBG Units and demonstrating compliance with the terms of this Agreement.

(b) The COUNTY has received an accounting for the final construction budget for the PROJECT from the BORROWER showing all uses and sources.

(c) The COUNTY has received from the BORROWER current evidence of the insurance coverage meeting the requirements of Sections 5.06 and 5.07 below.

(d) The COUNTY has received all reports required under this Agreement, including all information necessary for the COUNTY to make required reports under the CDBG Standard Agreement.

(e) The COUNTY has received from BORROWER contact information for the property manager of the PROJECT and the name and phone number of the on-site property manager.

(f) The COUNTY has received from BORROWER all relevant MBE/WBE and Section 3 information necessary for reports required by HCD.

(g) The COUNTY has received from BORROWER all certified payrolls with any identified payment issues having been resolved in regard to prevailing wages under the Davis-Bacon Act (40 U.S.C. 3141-3148) and Stare prevailing wage requirements.

(h) The COUNTY has received a written draw request from BORROWER including certification that the conditions set forth in Section 3.06(c) continue to be satisfied, setting forth the proposed uses of funds consistent with the Approved PROJECT Budget and a copy of the bill or invoice covering a cost incurred. When a disbursement is requested to pay any contractor in connection with improvements on the PROPERTY, the written request must be accompanied by (i) certification by the BORROWER that the work for which disbursement is requested has been completed, and (ii) conditional lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to COUNTY.
Section 3.08  Disbursement of CDBG Activity Delivery Grant Funds:

The maximum amount of funds to be disbursed pursuant to this Section 3.08 shall not exceed the amount of CDBG Activity Delivery Grant Funds as shown in Exhibit C (Approved Project Budget). The COUNTY shall not be obligated to disburse CDBG Activity Delivery Grant Funds unless the conditions described in this Section 3.08 are satisfied. The COUNTY shall disburse CDBG Activity Delivery Grant Funds after: (i) BORROWER meets the conditions of disbursement for the Loan set forth above in Section 3.07; provided that the CDBG Activity Delivery Grant Funds may be disbursed prior to disbursement of the Loan funds, and: (ii) BORROWER submits invoices on BORROWER's letterhead with supporting documentation.

The CDBG Activity Delivery Grant Funds may be used towards the following activities: (i) Bidder's Conferences; (ii) Labor Standards; (iii) PROJECT Inspections and Management; (iv) Engineering Draw/Design; (v) Procurement; and (vi) other activities which the COUNTY pre-approves as an eligible use of the CDBG Activity Delivery Grant Funds.

Section 3.09  Term and Repayment:

The Loan shall be repaid as follows:

(a) Term. The Loan and this Agreement shall mean the term of the Loan commencing on the date of this Agreement and continuing for the greater of fifty-five years or the expiration of the term imposed by other State funding requirements ("Term").

(b) Deferred Payment. Repayment of outstanding principal and accrued interest of the Loan shall be deferred for the Term of the Loan, except as provided in Subsection (c) below.

(c) Payment in Full. All principal and accrued interest on the Loan shall be due in full on the earliest to occur of (i) the date of any Transfer not authorized by the COUNTY, (ii) the date of any Default, (iii) the expiration of the Term; or (iv) the refinancing of Approved Financing not approved by the COUNTY, pursuant to Section 5.20 below.

(d) Prepayment. The BORROWER shall have the right to prepay the Loan at any time without penalty. However, the Regulatory Agreement shall remain in effect for the entire Term, regardless of any prepayment.

Section 3.10  Limited Non-Recourse:

Except as provided as provided below, BORROWER shall not have any direct or indirect personal liability for payment of the principal of, and interest on, the Loan or the performance of the covenants of the BORROWER under the Deed of Trust. Following recordation of the Deed of Trust, the sole recourse of the County with respect to the principal of, and interest on, the Note and defaults by Borrower in the performance of its covenants under the Deed of Trust shall be to the Property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security
for the Note of all the rights and remedies of the COUNTY there under, or (b) be deemed in any way to impair the right of the COUNTY to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note and the performance of the BORROWER's obligations under the Note, except as hereafter set forth; nothing contained herein is intended to relieve the BORROWER of its obligation to indemnify the COUNTY under Section 8.10 of this Agreement, or liability for (i) fraud or willful misrepresentation or (ii) any breach by BORROWER of any covenant in the Deed of Trust or this Agreement regarding Hazardous Materials.

Article 4.
CONSTRUCTION REQUIREMENTS

Section 4.01 Permits and Approvals:

BORROWER shall obtain all permits and approvals necessary for the construction of the improvements contemplated by this PROJECT, including building permits, no later than one year from the date of the HCD Standard Agreement.

Section 4.02 Construction Contract:

(a) Not later than thirty (30) days prior to the proposed commencement of any construction called for by the PROJECT, BORROWER shall submit to the COUNTY for its approval the proposed construction contract for such construction. All construction work and professional services shall be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California. Each contract that BORROWER enters for construction related to the PROJECT shall provide that at least ten percent (10%) of the costs incurred shall be payable only upon completion of construction, subject to early release of retention for specified subcontractors upon approval by the COUNTY. The construction contract shall include all applicable CDBG requirements set forth in Section 5.12 and 5.13 below and in the CDBG Standard Agreement. The COUNTY's approval of the construction contract shall in no way be deemed to constitute approval of or concurrence with any term or condition of the construction contract except as such term or condition may be required by this Agreement. The construction contract shall also provide that any change order in excess of Five Thousand Dollars ($5,000) and any combination of change orders that aggregate more than Ten Thousand Dollars ($10,000), requires the written approval of the COUNTY in addition to any other required approvals.

(b) The construction contract which BORROWER shall submit to the COUNTY shall be a stipulated sum contract, or contain a guaranteed maximum cost for the construction called for by the PROJECT, which specifies the expected guaranteed maximum cost, a cost of construction with fixed fee construction contract, or cost of work plus fee with a guaranteed maximum price.
(c) Upon receipt by the COUNTY of the proposed construction contract, the COUNTY shall promptly review same and approve or disapprove it within ten (10) working days. If the construction contract is not approved by the COUNTY, the COUNTY shall set forth in writing and notify BORROWER of the COUNTY's reasons for withholding such approval. BORROWER shall thereafter submit a revised construction contract for COUNTY approval, which approval shall be granted or denied in ten (10) working days in accordance with the procedures set forth above. Any construction contract executed by BORROWER for the PROJECT shall be in the form approved by the COUNTY.

Section 4.03 Construction Bonds:

Within five (5) business days prior to commencement of construction called for by the PROJECT, BORROWER shall deliver to the COUNTY copies of labor and material payment bonds and performance bonds for the construction of the PROJECT each in an amount equal to one hundred percent (100%) of the scheduled cost of the construction. Such bonds shall name the COUNTY as a co-obligee.

Section 4.04 Commencement of Construction:

BORROWER shall cause the commencement of any construction called for by the PROJECT no later than one year from the date of the HCD Standard Agreement.

Section 4.05 Completion of Construction:

BORROWER shall diligently prosecute all construction related to the PROJECT to completion, and shall cause the completion of such construction no later than one and a half years from the date of the HCD Standard Agreement.

Section 4.06 Construction Pursuant to Plans and Laws, Prevailing Wages and Accessibility:

(a) BORROWER shall construct improvements called for by the PROJECT in conformance with the construction plans and specifications approved by the COUNTY and pursuant to permits issued by the County of Monterey. BORROWER shall notify the COUNTY in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by the COUNTY. A written change order authorized by the COUNTY must be obtained before any of the following changes, additions, or deletions in work for the PROJECT may be performed: (i) any change in the work the cost of which exceeds Five Thousand Dollars ($5,000); or (ii) any set of changes in the work the cost of which cumulatively exceeds Ten Thousand Dollars ($10,000); or (iii) any material change in building materials or equipment, specifications, or the structural or architectural design or appearance of improvements called for by the PROJECT as provided for in the plans and specifications approved by the COUNTY. The COUNTY shall respond to a request to approve a change order within five (5) working days from receipt of the request, and the COUNTY shall not unreasonably withhold consent to a change order. Consent to any additions, changes, or deletions to the work shall not relieve or release BORROWER
from any other obligations under this Agreement, relieve or release BORROWER or the Contractor's surety from any surety bond, or obligate the COUNTY to provide additional funds.

(b) BORROWER shall cause all work performed in connection with the PROJECT to be performed in compliance with (i) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, including without limitation and to the extent applicable, the prevailing wage provisions of the federal Davis-Bacon Act and implementing rules and regulations, as further set forth in subsection (c) below, and state prevailing wages pursuant to California Labor Code Section 1770 et seq., and the regulations pursuant thereto, as further set forth in subsection (d) below; (ii) the property standards set out in 24 C.F.R. Section 5.701 et seq., and 24 C.F.R. Section 92.251; and (iii) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and BORROWER shall be responsible to the COUNTY for the procurement and maintenance thereof, as may be required of BORROWER and all entities engaged in work on the PROJECT.

(c) BORROWER shall cause all construction related to the PROJECT to be in compliance with the prevailing wage requirements of the federal Davis-Bacon Act (40 U.S.C. 3141-3148). BORROWER shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the COUNTY) the COUNTY against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including BORROWER, its contractor and subcontractors) to pay prevailing wages as determined pursuant to the prevailing wage provisions of the federal Davis-Bacon Act and implementing rules and regulations in connection with construction called for by the PROJECT or any other work undertaken or in connection with the PROPERTY. The requirements in this Subsection shall survive repayment of the Loan.

(d) BORROWER shall pay and shall cause the contractor and subcontractors to pay prevailing wages in the construction of improvements called for by the PROJECT as those wages are determined pursuant to Labor Code Sections 1720 et seq., to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the Department of Industrial Relations (the "DIR"). BORROWER shall and shall cause the contractor and subcontractors to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., and implementing regulations of the DIR. BORROWER shall and shall cause the contractor and subcontractors to keep and retain such records as are necessary to determine if such prevailing wages have been paid as required pursuant to Labor Code Sections 1720 et seq., and apprentices have been employed are required by Labor Code Sections 1777.5 et seq. Copies of the currently applicable current per diem prevailing wages are available from DIR. During the construction of the PROJECT, BORROWER shall or shall cause the contractor to post at the Property the applicable prevailing rates of per diem wages.
BORROWER shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the COUNTY) the COUNTY against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including BORROWER, its contractor and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq., to employ apprentices pursuant to Labor Code Sections 1777.5 et seq., and implementing regulations of the DIR or to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., and the implementing regulations of the DIR in connection with the construction of the PROJECT or any other work undertaken or in connection with the PROPERTY. The requirements in this Subsection shall survive the repayment of the Loan, and the reconveyance of the Deed of Trust.

Section 4.07 Construction Responsibilities:

(a) It shall be the responsibility of BORROWER to coordinate and schedule the construction of the improvements called for by the PROJECT so that construction will take place in accordance with this Agreement.

(b) BORROWER shall be solely responsible for all aspects of BORROWER's conduct in connection with construction related to the PROJECT, including (but not limited to) the timeliness and appropriateness of all fees paid with Loan funds. Any review or inspection undertaken by the COUNTY with reference to construction related to the PROJECT is solely for the purpose of determining whether BORROWER is properly discharging its obligations to the COUNTY and should not be relied upon by BORROWER or by any third parties as a warranty or representation to the COUNTY as to the quality of the construction undertaken in connection with the PROJECT.

(c) BORROWER shall construct the PROJECT's improvements in accordance with Federal, State and local housing and building codes, as are applicable.

Section 4.08 Mechanics Liens, Stop Notices, and Notices of Completion:

(a) If any claim of lien is filed against the PROPERTY or a stop notice affecting the Loan is served on the COUNTY or any other lender or other third party in connection with the PROJECT, then BORROWER shall, within twenty (20) days after such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the COUNTY a surety bond in sufficient form and amount, or provide the COUNTY with other assurance satisfactory to the COUNTY that the claim of lien or stop notice will be paid or discharged.

(b) If BORROWER fails to discharge any lien, encumbrance, charge, or claim in the manner or otherwise respond as required in this Section, then in addition to any other right or remedy, the COUNTY may (but shall be under no obligation to) discharge such lien, encumbrance, charge, or claim at BORROWER's expense. Alternately, the COUNTY may require BORROWER to immediately deposit with the COUNTY the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The
COUNTY may use such deposit to satisfy any claim or lien that is adversely determined against BORROWER.

(c) BORROWER shall file a valid notice of cessation or notice of completion upon cessation of construction related to the PROJECT for a continuous period of thirty (30) days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property. BORROWER authorizes the COUNTY, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that the COUNTY deems necessary or desirable to protect its interest in the PROJECT and PROPERTY.

Section 4.09 Inspections:

BORROWER shall permit and facilitate all observation and inspection regarding the PROJECT by the COUNTY and by public authorities during reasonable business hours for the purposes of determining compliance with this Agreement.

Section 4.10 Affirmative Action:

BORROWER agrees that it shall be committed to carry out pursuant to the COUNTY’s specifications an Affirmative Action Program in keeping with the principles as provided in President’s Executive Order 11246 of September 24, 1966. BORROWER shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

Section 4.11 Equal Opportunity:

During any construction related to the PROJECT, BORROWER and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, color, ancestry, religious creed, age (over 40), marital status, sex, sexual orientation, marital status, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), and denial of family care leave.

Section 4.12 Minority and Women-Owned Contractors:

BORROWER will use its best efforts to afford small businesses, minority business enterprises, and women’s business enterprises the maximum practicable opportunity to participate in the performance of any construction contemplated by this Agreement. As used in this contract, the terms “small business” means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and “minority and women’s business enterprise” means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. BORROWER may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.
Section 4.13 **Progress Reports:**

Until such time as BORROWER has received a building permit completion sign-off by the County of Monterey for any construction related to the PROJECT, BORROWER shall provide the COUNTY with quarterly progress reports regarding the status of such construction, including a certification that the actual construction costs to date conform to applicable portions of the Approved PROJECT Budget, as it may be amended from time to time pursuant to Section 5.20 below.

Section 4.14 **Performance Monitoring:**

The COUNTY shall monitor the performance of BORROWER against goals and performance standards required in the CDBG Standard Agreement. Such monitoring meetings will be established in a regular time schedule throughout the implementation of this Agreement until all final Loan reports have been filed with HCD. Substandard performance will constitute a default under this Agreement.

Section 4.15 **Procurement:**

(a) Compliance: BORROWER shall comply with current COUNTY policy concerning the purchase of equipment and shall maintain inventory reports of all non-expendable personal property as defined by such policy as may be procured with fund provided by this Agreement. All program assets shall revert to the COUNTY upon termination of this Agreement.

When utilizing funds covered by this Agreement, BORROWER shall comply with current CDBG regulations concerning the procurement of materials, property, or services, as outlined in the attached CDBG Standard Agreement and detailed in the State CDBG Loan Management Manual, available at [http://www.hcd.ca.gov/ca/cdbg/gmm/](http://www.hcd.ca.gov/ca/cdbg/gmm/) and 24 C.F.R. Part 85.

(b) OMB Standards: Unless specified otherwise within this Agreement, BORROWER shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40-48.

(c) Travel: BORROWER shall obtain written approval from the COUNTY for any travel outside the metropolitan area with funds provided under this Agreement.

Section 4.16 **Approved PROJECT Budget: Revisions to Budget:**

As of the date of this Agreement, the COUNTY has approved the Approved PROJECT Budget. BORROWER shall submit any required amendments to the Approved PROJECT Budget to the COUNTY for approval within five (5) days of the date BORROWER receives information indicating that actual costs of the Project vary or will vary from the costs shown on the Approved PROJECT Budget. Written consent of the COUNTY shall be required to amend
the Approved PROJECT Budget. BORROWER shall ensure that the Approved PROJECT Budget, as amended and approved by the COUNTY, encompasses all of the costs for the Project, and will demonstrate to the COUNTY's reasonable satisfaction that the combined Approved Financing and the Loan including CDBG Activity Delivery Grant Funds will be sufficient to pay all costs related to the PROJECT.

BORROWER acknowledges that the Approved PROJECT Budget assumes that any construction will be complete for the amount stated in the Approved PROJECT. BORROWER shall be responsible to pay for any increased cost of construction.

Section 4.17 NEPA/CEQA Mitigation Requirements:

The BORROWER will complete all appropriate environmental reviews pursuant to NEPA and CEQA prior to undertaking any choice limiting actions. The BORROWER shall comply with all mitigation requirements imposed as a result of such environmental reviews.

Article 5.

LOAN REQUIREMENTS

Section 5.01 Applicability:

BORROWER shall comply with the requirements of this Article Five throughout the Term.

Section 5.02 Operation of PROJECT as Farm Worker Housing:

(a) The BORROWER shall operate the PROJECT as a farm worker housing development consistent with HUD's requirements for use of the CDBG Funds and the Regulatory Agreement.

(b) BORROWER shall submit its proposed form of lease agreement for the COUNTY's review and approval prior to any distribution of the Loan.

(c) BORROWER must provide the COUNTY, for its review and approval, BORROWER's written tenant selection plan prior to any distribution of the Loan.

(d) BORROWER must determine the income eligibility of each Tenant household of a COUNTY Assisted Unit in the PROJECT pursuant to the COUNTY's approved tenant certification procedures for existing tenants prior to entering into any further agreements necessary to implement this Project and, for new tenants, within sixty (60) days before the household's expected occupancy of one of the PROJECT's Units. BORROWER shall certify each Tenant's income of a COUNTY Assisted Unit on an annual basis.

(e) The maximum household income of a Tenant of a COUNTY Assisted Unit in the PROJECT, and the total charges for rent, utilities, and related services to each Tenant, shall be maintained as provided in the Regulatory Agreement.
Section 5.03  Fees and Taxes:

Throughout the Term, BORROWER shall be solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the PROPERTY or the PROJECT, and shall pay such charges prior to delinquency. However, BORROWER shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by the COUNTY, BORROWER deposits with the COUNTY any funds or other forms of assurance that the COUNTY in good faith from time to time determines appropriate to protect the COUNTY from the consequences of the contest being unsuccessful.

Section 5.04  Nondiscrimination:

All of the units in the PROJECT shall be available for occupancy on a continuous basis to farm workers who are income eligible. BORROWER shall not give preference to any particular class or group of persons in renting the units in the PROJECT except to the extent the units are required to be rented to very low and low income households. There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, religious belief, sex, sexual orientation, marital status, national origin, source of income (e.g., SSDI), age (except for lawful senior housing), ancestry, or disability (including HIV and AIDS), mental disability, or medical condition (cancer) in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor shall BORROWER or any person claiming under or through BORROWER, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any unit or in connection with the employment of persons for the construction, operation and management of any Unit.

BORROWER agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

Section 5.05  Requirement Insurance Coverage:

BORROWER shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.84, Bonding and Insurance. The BORROWER shall furnish the COUNTY with evidence of the following forms of insurance coverage which the BORROWER shall maintain as provided:

(a) Worker's Compensation, including Employer's Liability coverage, with limits not less than One Million Dollars ($1,000,000) each accident, if required by law.

(b) Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance, in an amount to be determined by the COUNTY or HCD, which is
reasonable to compensate any person, firm, or corporation, who may be injured or
damaged by the BORROWER, or any subcontractor in performing activities funded with
the Loan.

(c) Comprehensive General Liability insurance with limits not less than Two Million Dollars
($2,000,000) each occurrence combined single limit for Bodily Injury and Property
Damage, including coverages for Contractual Liability, Personal Injury, Broadform
Property Damage, Products and Completed Operations.

(d) Comprehensive Automobile Liability insurance with limits not less than One Million
Dollars ($1,000,000) each occurrence combined single limit for Bodily Injury and
Property Damage, including coverages for owned, non-owned and hired vehicles, as
applicable.

(e) Property insurance covering the PROPERTY, in form appropriate for the nature of such
property, covering all risks of loss, excluding earthquake, for one hundred percent
(100%) of the replacement value, with deductible acceptable to the COUNTY, if any,
naming the COUNTY as a Loss Payee, as its interests may appear. Flood insurance shall
be obtained if required by applicable federal regulations.

(f) Blanket Fidelity Bond covering all officers and employees for loss of Loan proceeds
caused by dishonesty in an amount not less than Nine Hundred Twenty Five Thousand
Dollars and No Cents ($925,000.00) naming the COUNTY as Loss Payee, as its interests
may appear.

(g) BORROWER shall cause any general contractor, agent, or subcontractor working on the
PROJECT under direct contract with BORROWER or subcontract to maintain insurance
of the types and in at least the minimum amounts described in subsections (a), (c), and (d)
above, except that the limit of liability for comprehensive general liability insurance for
subcontractors shall be One Million Dollars ($1,000,000), and shall require that such
insurance shall meet all of the general requirements of subsections (h), (i), and (j) below,
including, without limitation, the requirement of subsection (i).

(h) The required insurance shall be provided under an occurrence form, and BORROWER
shall maintain such coverage described in subsections (a) through (f) continuously for the
Term of the Agreement. Should any of the required insurance be provided under a form
of coverage that includes an annual aggregate limit or provides that claims investigation
or legal defense costs are included in such annual aggregate limit, such annual aggregate
limit shall be three times the occurrence limits specified above.

(i) Comprehensive General Liability, Comprehensive Automobile Liability and Property
insurance policies shall be endorsed to name as an additional insured the COUNTY and
its officers, agents, employees and members of the Monterey County Board of
Supervisors.
(j) All policies and bonds shall contain (i) the agreement of the insurer to give the COUNTY at least thirty (30) days notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (ii) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the COUNTY; (iii) a provision that no act or omission of BORROWER shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the COUNTY and its authorized parties in connection with any loss or damage thereby insured against.

Section 5.06 Insurance Requirements During Construction:

In addition to the insurance coverage required pursuant to Section 4.5 above, during construction and prior to the issuance of a certificate of occupancy, BORROWER shall maintain coverage of the type now known as builder’s completed value risk insurance, as delineated on an All Risk Builder's Risk 100% Value Non-Reporting Form. Such insurance shall insure against direct physical loss or damage by fire, lightning, wind, storm, explosion, collapse, underground hazards, flood, vandalism, malicious mischief, glass breakage and such other causes as are covered by such form of insurance. Such policy shall include (A) an endorsement for broad form property damage, breach of warranty, demolition costs and debris removal. The replacement cost coverage shall be for work performed and equipment, supplies and materials furnished to the PROJECT or any adjoining sidewalks, streets and passageways, or to any bonded warehouse for storage pending incorporation into the work, without deduction for physical depreciation and with a deductible not exceeding $5,000 per occurrence.

Section 5.07 Proceeds of Insurance:

Subject to the requirements of senior lenders, and if economically feasible in the COUNTY’s reasonable judgment after consultation with BORROWER, all fire and standard risk or extended coverage (casualty) insurance proceeds shall be applied to the payment of the costs of repairing or rebuilding that part of the PROJECT or the PROPERTY damaged or destroyed if BORROWER and the COUNTY agree in writing within ninety (90) days after payment of the proceeds of insurance that such repair or rebuilding is economically feasible. Such work or repair shall be commenced no later than the later of one hundred twenty (120) days, or such longer period approved by the COUNTY in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and shall be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, then BORROWER shall make up the deficiency. If BORROWER does not make repairs as provided in this Section 5.7, then any insurance proceeds collected for such damage or destruction shall be distributed to the COUNTY pursuant to the Deed of Trust and subject to the rights of the senior lenders.
Section 5.08 Reports to COUNTY:

(a) Annual Report. Each year of the Term commencing on the first (1st) year after completion of the construction contemplated by the PROJECT, BORROWER shall submit to the COUNTY: (a) no later than June 30th of each year thereafter, or such other date as may be requested by the COUNTY, an annual statistical report, including income and rent data for all units, setting forth the information called for therein, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the COUNTY in order to comply with reporting requirements of HUD or HCD. Along with this annual report, the BORROWER shall also submit an annual report on the demographic information of the Tenants.

(b) Semi-Annual Reports. In addition to the annual reports described above, BORROWER shall submit to COUNTY, in a form approved by the COUNTY, semi-annual reports on the expenditure of the required CDBG leveraged funds as outlined in Exhibit D until those non-CDBG funds are completely expended. Until the end of the Term, BORROWER shall provide information required to complete the following semi-annual reports to the COUNTY: Financial and Accomplishment Reports (FAR), Section 3 Reports, and Wage Compliance Reports, all in forms acceptable to the COUNTY. During the Term of this Agreement, the COUNTY may require such additional reports from the BORROWER as the COUNTY deems reasonably necessary. The BORROWER shall provide such information necessary to complete these reports within fifteen (15) days of the COUNTY's request.

(c) CDBG Report. In addition to the reports described above, BORROWER shall provide the COUNTY with all information necessary to complete any reports required by CDBG no less than 15 days before the report is due to the State.

Section 5.09 Additional Information:

BORROWER shall provide any additional information reasonably requested by the COUNTY. BORROWER shall notify the COUNTY in writing of any legal action filed against the BORROWER or the PROJECT.

Section 5.10 Records:

BORROWER shall keep and maintain at the Property, or elsewhere with the COUNTY’s written consent, full, complete and appropriate books, record and accounts relating to the PROJECT, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail BORROWER’s compliance with the terms and provisions of this Agreement. Books, records and accounts relating to BORROWER's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied, and shall be consistent with requirements of this Agreement. All such books, records, and accounts shall be open to and available for inspection and copying by HUD, the COUNTY, its auditors or other
authorized representatives at reasonable intervals during normal business hours. Copies of all
tax returns and other reports that BORROWER may be required to furnish to any governmental
agency shall at all reasonable times be open for inspection by the COUNTY at the place that the
books, records and accounts of BORROWER are kept. BORROWER shall preserve such
records for a period of not less than five (5) years from the date the COUNTY has satisfied all of
its obligations pursuant to the CDBG Standard Agreement, as attached as Exhibit A, and close-
out of the grant of the CDBG Funds, in compliance with all HUD records and accounting
requirements including but not limited to those set forth in 24 C.F.R. Section 570.506 and
Section 570.502(b). If any litigation, claim, negotiation, audit exception, monitoring, inspection
or other action relating to the use of the Loan is pending at the end of the record retention period
stated herein, then BORROWER shall retain such records until such action and all related issues
are resolved. Such records shall include all invoices, receipts, and other documents related to
expenditures from the Loan funds. Records must be kept accurate and current. Such records
shall include but not be limited to:

(a) Records providing a full description of the activities undertaken with the use of the
CDBG Funds;

(b) Records demonstrating that each activity undertaken meets one of the national objectives
of the CDBG program set forth in 24 C.F.R. Section 570.208;

(c) Records demonstrating compliance with the HUD property standards and lead-based
paint requirements;

(d) Records demonstrating compliance with the affordability and income requirements for
tenants;

(e) Records required to determine the eligibility of activities;

(f) Records documenting compliance with the fair housing and equal opportunity
requirements, as applicable;

(g) Records demonstrating compliance with Section 3 and labor requirements, including
certified payrolls from BORROWER's general contractor evidencing that applicable
prevailing wages have been paid;

(h) Financial records as required by 24 C.F.R. Section 570.502, and OMB Circular A-110
(24 C.F.R. Part 84);

(i) Other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570
and 24 C.F.R. Section 92.508; and

(j) Certified payrolls from BORROWER's general contractor evidencing that applicable
prevailing wages have been paid.
The COUNTY shall notify BORROWER of any records it deems insufficient. BORROWER shall have fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the COUNTY in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then BORROWER shall begin to correct the deficiency within fifteen (15) business days and correct the deficiency as soon as reasonably possible.

Section 5.11 Access to and Audit of Records:

The COUNTY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of BORROWER and its contractors and subcontractors related to performance of BORROWER's obligations under this Agreement. Pursuant to California Government Code section 8546.7, the parties to this Agreement shall be subject, at the request of COUNTY or as part of any audit of the COUNTY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of four (4) years after termination of this Agreement.

Section 5.12 CDBG Requirements:

BORROWER shall comply with all applicable laws and regulations governing the use of the CDBG Funds as set forth in 24 C.F.R. Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG), including subpart K of these regulations, except that (1) BORROWER does not assume the recipient's environmental responsibilities described in 24 CRF 570.604 and (2) the BORROWER does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR 52. BORROWER also agrees to comply with other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. BORROWER further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available. In the event of any conflict between this Agreement and applicable laws and regulations governing the use of the Loan funds, the applicable laws and regulations shall govern.

The laws and regulations governing the use of the Loan funds include (but are not limited to) the following:

(a) Environmental and Historic Preservation. 24 C.F.R. Part 58, which prescribes procedures for compliance with the National Environmental Policy Act of 1969 (42 U.S.C. Sections 4321-4361), and the additional laws and authorities listed at 24 C.F.R. Section 58.5.


(c) Debarred, Suspended or Ineligible Contractors. The prohibition on the use of debarred, suspended, or ineligible contractors set forth in 24 C.F.R. Part 24.
(d) Civil Rights, Housing and Community Development, and Age Discrimination Acts. The Fair Housing Act (42 U.S.C. Section 3601 et seq.) and implementing regulations at 24 C.F.R. Part 100; Title VI of the Civil Rights Act of 1964 as amended; Title VIII of the Civil Rights Act of 1968 as amended; Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794, et seq.); the Age Discrimination Act of 1975 (42 U.S.C. Section 6101, et seq.); Executive Order 11063 as amended by Executive Order 12259 and implementing regulations at 24 C.F.R. Part 107; Executive Order 11246 as amended by Executive Orders 11375, 12086, 11478, 12107 and 12086; Executive Order 11625 as amended by Executive Order 12007; Executive Order 12432; Executive Order 12138 as amended by Executive Order 12608. BORROWER shall agree to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in applicable construction contracts connected to the PROJECT.

(e) Lead-Based Paint. BORROWER agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the PROPERTY, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

(f) Relocation. The requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Section 4601, et seq.), and implementing regulations at 49 C.F.R. Part 24; Section 104(d) of the Housing and Community Development Act of 1974 and implementing regulations at 24 C.F.R. Part 42; 24 C.F.R. Section 570.606; and California Government Code Section 7260 et seq. and implementing regulations at 25 California Code of Regulations Section 6000 et seq. If and to the extent that construction of the PROJECT results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, then BORROWER shall comply with all applicable local, state, and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. BORROWER shall prepare and submit a relocation plan to the COUNTY for approval. BORROWER shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with such relocation laws. BORROWER shall indemnify, defend (with counsel reasonably chosen by the COUNTY), and hold harmless the COUNTY against all claims which arise out of relocation obligations to residential tenants, homeowners, or businesses permanently or temporarily displaced by the PROJECT.
(g) Discrimination against the Disabled. The requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794), and federal regulations issued pursuant thereto, which prohibit discrimination against the disabled in any federally assisted program, the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. Sections 4151-4157) and the applicable requirements of Title II and/or Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12131 et seq.), and federal regulations issued pursuant thereto.

(h) Clean Air and Water Acts. The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

Clean Air Act, 42 U.S.C., 7401, et seq.:

Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;

Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

(i) Uniform Administrative Requirements – CDBG. The requirements of 24 C.F.R. 570.502 regarding cost and auditing requirements.

(j) Training Opportunities. The requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. Section 1701u ("Section 3"), requiring that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and agreements for work in connection with the PROJECT be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the PROJECT. BORROWER agrees to include the following language in all subcontracts executed under this Agreement:

(i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. Section 1701u. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(ii) The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with 24 C.F.R. Part 135 regulations.
(iii) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause; and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference; shall set forth minimum number and job titles subject to hire; availability of apprenticeship and training positions; the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(iv) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

(v) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. Part 135.

(vi) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(vii) Labor Standards. BORROWER agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. BORROWER agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. BORROWER shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.
BORROWER agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of $2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve BORROWER of its obligation, if any, to require payment of the higher wage. BORROWER shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

(viii) "Section 3" Clause

1) Compliance: Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the BORROWER and any of BORROWER's subcontractors. Failure to fulfill these requirements shall subject the COUNTY, the BORROWER and any of BORROWER's subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. BORROWER certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

BORROWER further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a PROJECT assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the PROJECT be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the PROJECT is located."

BORROWER further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded PROJECT is located. Where feasible, priority should be given to low- and very low-income persons within the service area of the PROJECT or the neighborhood in which the PROJECT is located and to low- and very low-income participants in other HUD programs; and award
contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded PROJECT is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the PROJECT is located, and to low- and very low-income participants in other HUD programs.

BORROWER certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

1) Notifications: BORROWER agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

2) Subcontracts: BORROWER will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. BORROWER will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.


(m) Historic Preservation. The BORROWER shall comply with the historic preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. Section 470) and the procedures set forth in 36 C.F.R. Part 800.

(n) HUD Regulations: Any other HUD regulations present or as may be amended, added, or waived in the future pertaining to the Loan funds, including but not limited to HUD regulations as may be promulgated regarding subrecipients.

(o) Religious Organizations. If BORROWER is a religious organization, as defined by the CDBG requirements, BORROWER shall comply with all conditions prescribed by HUD for the use of CDBG funds by religious organizations, including the First Amendment of the United States Constitution regarding church/state principles and the applicable constitutional prohibitions set forth in 24 C.F.R. Section 570.200(j).
(p) Flood Disaster Protection. This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of said Act. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act. Any contract or Agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

(q) Land Covenants. This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.602. In regard to the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, BORROWER shall cause or require a covenant running with the land to be inserted into the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the COUNTY and the United States are beneficiaries of and entitled to enforce such covenants. BORROWER, in undertaking it obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

(r) Hatch Act. BORROWER agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.
Section 5.13 Anti-Lobbying Certification:

BORROWER certifies, to the best of his or her knowledge or belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal Loan, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, Loan, loan, or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Federal contract, Loan, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(c) This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this Agreement imposed by 31 U.S.C Section 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars ($10,000) and no more than One Hundred Thousand Dollars ($100,000) for such failure.

Section 5.14 Compliance with the CDBG Standard Agreement:

BORROWER acknowledges that the COUNTY will make the Loan in accordance with the requirements of the CDBG Standard Agreement. If a CDBG grant is awarded to the COUNTY, the CDBG Standard Agreement will be incorporated into this Agreement as if fully set forth and BORROWER shall comply with all applicable requirements of the CDBG Standard Agreement.

Section 5.15 Transfers:

(a) For purposes of this Agreement, "Transfer" shall mean any sale, assignment, or transfer, whether voluntary or involuntary, of (i) any rights and/or duties under this Agreement, and/or (ii) any interest in the PROPERTY, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of any portion of the PROPERTY is transferred and BORROWER retains title. "Transfer" shall exclude the leasing of any single unit on the Property to an occupant in compliance with the Regulatory Agreement.
(b) Except as otherwise provided or pre-approved in subsections (c) and (d) below, no Transfer shall be permitted without the prior written consent of the Monterey County Board of Supervisors, which the COUNTY may withhold in its sole discretion. The Loan shall automatically accelerate and be due in full upon any unauthorized Transfer.

(c) The COUNTY approves the grant of the security interests in the PROPERTY described in Recital C above.

(d) The COUNTY approves the Transfer of the PROPERTY from the BORROWER to a non-profit affiliate of the BORROWER and an assumption of the Loan by such transferee, upon terms consistent with this Agreement.

Section 5.16 Hazardous Materials:

BORROWER shall keep and maintain the PROPERTY in compliance with, and shall not cause or permit the PROPERTY to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the PROPERTY including, but not limited to, soil and ground water conditions. BORROWER shall not use, generate, manufacture, store or dispose of on, under, or about the PROPERTY or transport to or from the PROPERTY any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction of projects like the PROJECT or kept and used in and about residential property of this type.

BORROWER shall immediately advise the COUNTY in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against BORROWER or the PROPERTY pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against BORROWER or the PROPERTY relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) BORROWER's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the PROPERTY that could cause the PROPERTY or any part thereof to be classified as "border-zone property" (as defined in California Health and Safety Code Section 25117.4) under the provision of California Health and Safety Code Section 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the PROPERTY under any Hazardous Materials Law.

The COUNTY shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by BORROWER. BORROWER
shall indemnify and hold harmless the COUNTY and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the PROPERTY including without limitation: (i) all foreseeable consequential damages; (ii) the costs of any required or necessary repair, cleanup or detoxification of the PROPERTY and the preparation and implementation of any closure, remedial or other required plans; and (iii) all reasonable costs and expenses incurred by the COUNTY in connection with clauses (i) and (ii), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the PROPERTY; (2) loss or restriction of use of rentable space on the PROPERTY; (3) adverse effect on the marketing of any rental space on the PROPERTY; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the PROPERTY and surrounding properties). This obligation to indemnify shall survive termination of this Agreement.

Without the COUNTY's prior written consent, which shall not be unreasonably withheld, BORROWER shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the PROPERTY, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the COUNTY's reasonable judgment, impair the value of the COUNTY's security hereunder; provided, however, that the COUNTY's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the PROPERTY either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the COUNTY's consent before taking such action, provided that in such event BORROWER shall notify the COUNTY as soon as practicable of any action so taken. The COUNTY agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) BORROWER will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) BORROWER establishes to the reasonable satisfaction of the COUNTY that there is no reasonable alternative to such remedial action which would result in less impairment of the COUNTY's security hereunder; or (iv) the action has been agreed to by the COUNTY.

BORROWER hereby acknowledges and agrees that (i) this Section is intended as the COUNTY's written request for information (and BORROWER's response) concerning the environmental condition of the PROPERTY as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the PROPERTY is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.
In the event that any portion of the PROPERTY is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the COUNTY's or the trustee's rights and remedies under the Deed of Trust, the COUNTY may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (i) waive its lien on such environmentally impaired or affected portion of the PROPERTY and (ii) exercise (1) the rights and remedies of an unsecured creditor, including reduction of its claim against the borrower to judgment, and (2) any other rights and remedies permitted by law. For purposes of determining the COUNTY's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), BORROWER shall be deemed to have willfully permitted or acquiesced in a release or threatened release of Hazardous Materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the PROPERTY and BORROWER knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the COUNTY in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the PROPERTY is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) and the maximum rate permitted by law, until paid, shall be added to the indebtedness secured by the Deed of Trust and shall be due and payable to the COUNTY upon its demand made at any time following the conclusion of such action.

Section 5.17  Notice of Litigation:

BORROWER shall promptly notify the COUNTY in writing of any litigation which has the potential to materially affect BORROWER or the PROPERTY and of any claims or disputes that involve a material risk of such litigation.

Section 5.18  Maintenance and Damage:

(a) During the course of both construction and operations related to the PROJECT, BORROWER shall maintain the PROJECT's improvements and the PROPERTY in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if BORROWER has not cured such condition within thirty (30) days after receiving a COUNTY notice of such a condition, then in addition to any other rights available to the COUNTY, the COUNTY shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the PROPERTY.

(b) Subject to the requirements of senior lenders, and if economically feasible in the COUNTY's reasonable judgment after consultation with the BORROWER, if any improvement now or in the future on the PROPERTY is damaged or destroyed, then BORROWER shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the COUNTY.
with such changes as have been approved by the COUNTY. Such work or repair shall be commenced no later than the later of one hundred twenty (120) days, or such longer period approved by the COUNTY in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and shall be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, then BORROWER shall make up the deficiency. If BORROWER does not make repairs, then any insurance proceeds collected for such damage or destruction shall be distributed to the COUNTY pursuant to the Deed of Trust and subject to the rights of the senior lenders.

Section 5.19 Payment of Other Indebtedness; Notice of Defaults:

BORROWER shall promptly pay the principal and interest when due on any other indebtedness related to the PROJECT.

BORROWER shall promptly notify the COUNTY in writing of any defaults declared under any other financing for the PROJECT by the lender of such financing.

Section 5.20 COUNTY Approval of Financing Amendments and Refinancing:

BORROWER shall obtain prior written approval of the COUNTY, pursuant to Section 5.20, of any material changes of the Approved Financing, any material amendments to loan documents evidencing the Approved Financing, or refinancing of the Approved Financing, which approval may be withheld by the COUNTY upon a determination by the COUNTY that any such proposed change, amendment or refinancing will negatively affect the economic feasibility or the affordability of the PROJECT or PROPERTY, or the scheduled repayment of the Loan. Failure by the BORROWER to obtain prior COUNTY approval of changes, amendments or refinancing of the Approved Financing shall be a material default under this Agreement.

Article 6

REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 6.01 Representations and Warranties:

BORROWER hereby represents and warrants to the COUNTY as follows:

(a) Organization. BORROWER is a duly organized California 501 (c) (3) nonprofit public benefit corporation. BORROWER validly exists and in good standing under the laws of the State of California, and BORROWER has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of BORROWER. BORROWER has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments
executed and delivered, or to be executed and delivered, pursuant to this Agreement, and
to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents
and all other documents or instruments executed and delivered, or to be executed and
delivered, pursuant to this Agreement have been executed and delivered by persons who
are duly authorized to execute and deliver the same for and on behalf of BORROWER,
and all actions required under BORROWER's organizational documents and applicable
governing law for the authorization, execution, delivery and performance of this
Agreement and the Loan Documents and all other documents or instruments executed
and delivered, or to be executed and delivered, pursuant to this Agreement, have been
duly taken.

(d) Valid Binding Agreement. This Agreement and the Loan Documents and all other
documents or instruments which have been executed and delivered pursuant to or in
connection with this Agreement constitute or, if not yet executed or delivered, will when
so executed and delivered constitute, legal, valid and binding obligations of
BORROWER enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement
and the Loan Documents or of any other documents or instruments executed and
delivered, or to be executed or delivered, pursuant to this Agreement, nor the
performance of any provision, condition, covenant or other term hereof or thereof, will
conflict with or result in a breach of any statute, rule or regulation, or any judgment,
decree or order of any court, board, commission or agency whatsoever binding on
BORROWER, or any provision of the organizational documents of BORROWER, or will
conflict with or constitute a breach of or a default under any agreement to which
BORROWER is a party, or will result in the creation or imposition of any lien upon any
assets or property of BORROWER, other than liens established pursuant hereto.

(f) Compliance with Laws: Consents and Approvals. Any construction related to the
PROJECT will comply with all applicable laws, ordinances, rules and regulations of
federal, state and local governments and agencies and with all applicable directions, rules
and regulations of the fire marshal, health officer, building inspector and other officers of
any such government or agency.

(g) Pending Proceedings. BORROWER is not in default under any law or regulation or
under any order of any court, board, commission or agency whatsoever, and there are no
claims, actions, suits or proceedings pending or, to the knowledge of BORROWER,
threatened against or affecting BORROWER or the PROJECT, at law or in equity, before
or by any court, board, commission or agency whatsoever which might, if determined
adversely to BORROWER, materially affect BORROWER's ability to repay the Loan or
impair the security to be given to the COUNTY pursuant hereto.

(h) Title to Land. At the time of recordation of the Deed of Trust, the BORROWER will
have good and marketable fee title to the PROPERTY and there will exist thereon or with
respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than those liens described in Exhibit C of this Agreement, liens for current real property taxes and assessments not yet due and payable, and liens in favor of the COUNTY or approved in writing by the COUNTY.

(i) Financial Statements. The financial statements of BORROWER and other financial data and information furnished by BORROWER to the COUNTY fairly and accurately present the information contained therein as of the date thereof. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of BORROWER from that shown by such financial statements and other data and information.

(j) Sufficient Funds. BORROWER holds sufficient funds and/or binding commitments for sufficient funds to complete the tasks called for in the PROJECT, including any related construction.

(k) Taxes. BORROWER and its subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the PROPERTY otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against BORROWER or any of its subsidiaries that could, if made, be reasonably expected to have a material adverse effect upon the PROPERTY, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the BORROWER and its subsidiaries, taken as a whole, which would be expected to result in a material impairment of the ability of BORROWER to perform under any Loan Document to which it is a party, or a material adverse effect upon the legality, validity, binding effect or enforceability against BORROWER of any Loan Document.

Article 7.
DEFAULT

Section 7.01 Events of Default:

Each of the following shall constitute a "Default" by BORROWER under this Agreement:

(a) Failure to Construct. Failure of BORROWER to commence and complete construction related to the PROJECT within the times set forth in Article 4 above or failure to comply with any construction requirements of this Agreement;

(b) Failure to Make Payment. Failure to repay the principal and any interest on the Loan within ten (10) days after receipt of written notice from the COUNTY to the BORROWER that such payment is due pursuant to the Loan Documents.
(c) Breach of Covenants. Failure by BORROWER to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents, and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the COUNTY to BORROWER or, if the breach cannot be cured within thirty (30) days, BORROWER shall not be in breach so long as BORROWER is diligently undertaking to cure such breach and such breach is cured within ninety (90) days; provided, however, that if a different period or notice requirement is specified under any other section of this Article 7, the specific provisions shall control.

(d) Default Under Other Financing. A default is declared under any other financing for the PROJECT by the lender of such financing, subject to expiration of all applicable notice and cure periods.

(e) Insolvency. A court having jurisdiction shall have made or entered any decree or order:

   (i) Adjudging BORROWER to be bankrupt or insolvent;

   (ii) Approving as properly filed a petition seeking reorganization of BORROWER, or seeking any arrangement for BORROWER under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction,

   (iii) Appointing a receiver, trustee, liquidator, or assignee of BORROWER in bankruptcy or insolvency or for any of their properties,

   (iv) Directing the winding up or liquidation of BORROWER if any such decree or order described in clauses (1) to (4), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days; or

   (v) BORROWER shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (1) to (4), inclusive. The occurrence of any of the events of Default in this paragraph shall act to require automatically, without the need for any action by the COUNTY, the repayment of the Loan.

   (vi) The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically, without the need for any action by the COUNTY, the indebtedness evidenced by the Note.

(f) Assignment: Attachment. BORROWER shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its Property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The
occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the COUNTY, the indebtedness evidenced by the Note.

(g) Suspension: Termination. BORROWER shall have voluntarily suspended its business or shall have been dissolved or terminated.

(h) Liens on PROPERTY and the PROJECT. There shall be filed any claim of lien (other than liens approved in writing by the COUNTY) against the PROJECT or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days without discharge or satisfaction thereof or provision therefore (including, without limitation, the posting of bonds) satisfactory to the COUNTY.

(i) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the PROPERTY and the PROJECT.

(j) Unauthorized Transfer or Refinance. Any Transfer other than as permitted by Section 4.16 or any change, amendment or refinance of the Approved Financing other than as permitted by Section 5.20.

(k) Representation or Warranty Incorrect. Any BORROWER representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the COUNTY in connection with any of the Loan Documents, proving to have been incorrect in any material respect when made.

Section 7.02 Remedies:

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the COUNTY or automatically where so specified, relieve the COUNTY of any obligation to make or continue the Loan and shall give the COUNTY the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents including, but not limited to the following:

(a) Repayment of Loan. The COUNTY shall have the right to require immediate repayment of the Loan, together with any accrued interest thereon as described in Section 3.02 above. BORROWER waives all right to presentment, demand, protest or notice of protest or dishonor. The COUNTY may proceed to enforce repayment of the Loan and to exercise any or all rights afforded to the COUNTY as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Deed of Trust. BORROWER shall be liable to pay the COUNTY on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the COUNTY in connection with the collection of the Loan and the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.
(b) Specific Performance. The COUNTY shall have the right to mandamus or other suit, action or proceeding at law or in equity to require BORROWER to perform its obligations and covenants under the Loan Documents or to enjoin acts on things that may be unlawful or in violation of the provisions of the Loan Documents. The Parties acknowledge that operation of the PROJECT upon the terms stated herein and in the Regulatory Agreement are of primary importance to the Parties, and further acknowledge that mere repayment of the Loan is insufficient to remedy defaults in operation.

(c) Right to Cure at BORROWER's Expense. The COUNTY shall have the right (but not the obligation) to cure any monetary default by BORROWER under the Loan or loan other than the Loan. BORROWER agrees to reimburse the COUNTY for any funds advanced by the COUNTY to cure a monetary default by BORROWER upon demand therefore, together with interest thereon at the lesser of the maximum rate permitted by law or ten percent (10%) per annum from the date of expenditure until the date of reimbursement.

(d) Special Remedy for Breach of Use Requirement. Pursuant to 24 CFR 570.503(b)(7)(ii), if during the Term the BORROWER ceases to use the PROJECT or PROPERTY to primarily benefit low and moderate income persons, the COUNTY shall have the right to require the BORROWER to pay to the COUNTY an amount equal to the current market value of the PROPERTY (as determined by appraisal) less any portion of that value attributable to the outstanding balance of the non-Loan funds (based on a pro-rata allocation of funds used by BORROWER in its acquisition of the PROPERTY). Funds recovered from BORROWER pursuant to this subsection shall be credited against amounts outstanding under the Note.

Section 7.03 Right of Contest:

BORROWER shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and in a manner prejudicial to the COUNTY or the rights of the COUNTY hereunder.

Section 7.04 Remedies Cumulative:

No right, power, or remedy given to the COUNTY by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the COUNTY by the terms of any such instrument, or by any statute or otherwise against BORROWER and any other person. Neither the failure nor any delay on the part of the COUNTY to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the COUNTY of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.
Article 8.  
GENERAL PROVISIONS  

Section 8.01 Suspension or Termination:  

In accordance with 24 CFR 85.43, the County may suspend or terminate this Agreement if BORROWER materially fails to comply with any terms of this Agreement, which include, but are not limited to, the following:  

(a) Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;  

(b) Failure, for any reason, of BORROWER to fulfill in a timely and proper manner its obligations under this Agreement;  

(c) Ineffective or improper use of funds provided under this Agreement; or  

(d) Submission by BORROWER to the County reports that are incorrect or incomplete in any material respect.  

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the COUNTY or BORROWER, in whole or in part, by setting forth the reasons for such termination, the portion to be terminated. However, if in the case of a partial termination, the COUNTY determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the COUNTY may terminate the award in its entirety.  

Section 8.02 Financial Management:  

(a) Accounting Standards  

BORROWER agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.  

(b) Cost Principles  

BORROWER shall administer its program in conformance with OMB Circulars A-122 “Cost Principles for Non-Profit Organizations”. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.  

Section 8.03 Retention:  

BORROWER shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period
begins on the date of the submission of the COUNTY’s annual performance and evaluation report to HCD in which the activities assisted under this Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the action and resolutions of all issues, or the expiration of the four-year period, whichever occurs later.

Section 8.04 Client Data:

BORROWER shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to the County monitors or their designees for review upon request.

Section 8.05 Disclosure:

BORROWER understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the COUNTY's or BORROWER’s responsibilities with respect to the services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

Section 8.06 Use and Reversion of Assets:

The use and disposition of real property and equipment under this agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

(a) BORROWER shall transfer to the COUNTY any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

(b) Real property under BORROWER’s control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five years after expiration of this Agreement. If BORROWER fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, BORROWER shall pay the COUNTY an amount equal to the current fair market value of the PROPERTY less any portion of the value attributable expenditure of non-CDBG funds for acquisition of, or improvements to, the PROPERTY. Such payments shall constitute program income to the COUNTY. BORROWER may retain real property acquired or improved under this Agreement after the expiration of the five year period.

(c) In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment).
Equipment not needed by BORROWER for activities under this Agreement shall be (a) transferred to the COUNTY for the CDBG program or (b) retained after compensating the COUNTY an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

Section 8.07 Relationship of Parties:

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the COUNTY and BORROWER or its agents, employees or contractors, and BORROWER shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement for the purchase, construction, and operation of the PROPERTY. BORROWER has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the operation of the PROJECT, BORROWER shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. BORROWER shall be solely responsible for its own acts and those of its agents and employees.

Section 8.08 No Claims:

Nothing contained in this Agreement shall create or justify any claim against the COUNTY by any person that BORROWER may have employed or with whom BORROWER may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing of or the performance of any work or services with respect to any construction or operation related to the PROJECT, and BORROWER shall include similar requirements in any contracts entered into for the operation of the PROJECT.

Section 8.09 Amendments:

(a) In the event a lender for the PROJECT requests revisions to this Agreement or other Loan Document, the COUNTY agrees to meet and confer with the BORROWER and to reasonably consider such requests.

(b) No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties.

Section 8.10 Indemnification:

The BORROWER shall indemnify, defend and hold the COUNTY and its board of supervisors, officers and employees harmless against any and all suits, actions, claims, causes of action, costs, demands, judgments and liens, losses and liability of every kind, nature and description made against it and expenses (including reasonable attorneys' fees) which arise out of
or in connection with this Agreement, including but not limited to the purchase of the
PROPERTY, development, construction, marketing and operation of improvements related to
the PROJECT, except to the extent such claim arises from the grossly negligent or willful
misconduct of the COUNTY, its Board of Supervisors, officers and employees. The provisions
of this Section shall survive the expiration of the Term and the reconveyance of the Deed of
Trust.

Section 8.11 Non-Liability of COUNTY Officials, Employees and Agents:

No member, official, employee or agent of the COUNTY shall be personally liable to
BORROWER in the event of any default or breach by the COUNTY or for any amount which
may become due to BORROWER or its successor or on any obligation under the terms of this
Agreement.

Section 8.12 No Third Party Beneficiaries:

There shall be no third party beneficiaries to this Agreement.

Section 8.13 Conflict of Interest:

(a) Except for approved eligible administrative or personnel costs, no person described in
Section 8.13 below who exercises or has exercised any functions or responsibilities with
respect to the activities funded pursuant to this Agreement or who is in a position to
participate in a decision-making process or gain inside information with regard to such
activities, may obtain a personal or financial interest or benefit from the activity, or have
an interest in any contract, subcontract or agreement with respect thereto, or the proceeds
there under, either for themselves or those with whom they have family or business ties,
during, or at any time after, such person's tenure. BORROWER shall exercise due
diligence to ensure that the prohibition in this Section 8.13(a) is followed.

(b) The conflict of interest provisions of Section 8.13 above apply to any person who is an
employee, agent, consultant, officer, or any immediate family member of such person, or
any elected or appointed official of the COUNTY, or any person related within the third
(3rd) degree of such person.

(c) In accordance with California Government Code Section 1090 and the Political Reform
Act, California Government Code Section 87100 et seq., no person who is a director,
officer, partner, trustee or employee or consultant of the BORROWER, or immediate
family member of any of the preceding, shall make or participate in a decision, made by
the COUNTY or a COUNTY board, commission or committee, if it is reasonably
foreseeable that the decision will have a material effect on any source of income,
investment or interest in real property of that person or BORROWER. Interpretation of
this Section shall be governed by the definitions and provisions used in the Political
Reform Act, California Government Code Section 87100 et seq., its implementing
regulations manual and codes, and Government Code Section 1090.
(d) BORROWER shall comply with the conflict of interest provisions set forth in 24 C.F.R. Section 570.611.

Section 8.14 Force Majeure:

In addition to specific provisions of this Agreement, performance by either Party shall not be deemed to be in Default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, quarantine restrictions, freight embargoes, lack of transportation, or court order. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other Party within ten (10) days of receipt of the notice. In no event shall the COUNTY be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 8.15 Waiver:

Any waiver by the COUNTY of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the COUNTY to take action on any breach or default of BORROWER or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to BORROWER to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the COUNTY to any act or omission by BORROWER shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the COUNTY's written consent to future waivers.

Section 8.16 Notices, Demands and Communications:

Any notice, demand or communication under, or in connection with, this Agreement may be served upon BORROWER by personal service, by electronic transmission, by facsimile or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to:

COUNTY: County of Monterey  
Attn: Economic Development Department Director 
168 W. Alisal Street, 3rd Floor 
Salinas, California 93901 
Fax: (831) 755-5398

BORROWER: South County Housing, Inc.  
Attn: Executive Director 
7455 Carmel Street 
Gilroy, California 95020  
Fax:

Notice shall be deemed satisfied within one (1) business day if provided by personal service, by electronic transmission or by facsimile. Notice shall be deemed satisfied within three (3)
business days if provided by certified mail. Either COUNTY or BORROWER may change such address by notifying the other Party in writing as to such new address as COUNTY or BORROWER may desire used and which address shall constitute as the address until further written notice.

Section 8.17 **Applicable Law:**

This Agreement shall be governed by California law.

Section 8.18 **Parties Bound: Covenants Running with the Land:**

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the PROPERTY and shall bind BORROWER and its successors and assigns in the PROPERTY for the entire Term, and the benefit hereof shall inure to the benefit of the COUNTY and its successors and assigns.

Section 8.19 **County Approval:**

Whenever this Agreement calls for COUNTY approval, consent, or waiver, the written approval, consent, or waiver of the Director of the Economic Development Department shall constitute the approval, consent, or waiver of the COUNTY, without further authorization required from the County Board of Supervisors, provided that it is determined that the overall feasibility of the objectives of this Agreement is not in jeopardy, no additional funds are required from the COUNTY, and no material term of this Agreement is altered. The COUNTY hereby authorizes the Director of the Economic Development Department to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the COUNTY upon the terms specified above. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. The COUNTY agrees to give reasonable consideration to requests by BORROWER for extensions of any time deadlines imposed under this Agreement, provided that it is determined that the overall feasibility of the objectives of this Agreement is not in jeopardy. The COUNTY shall not unreasonably delay in reviewing and approving or disapproving any proposal by BORROWER made in connection with this Agreement. Notwithstanding this delegation, approval of the County Board of Supervisors is required to amend this Agreement, and this Section 8.19 shall not preclude the Director of the Economic Development Department, in his or her sole discretion, from seeking approval from the County Board of Supervisors for any matter under this Agreement.

Section 8.20 **Attorney's Fees:**

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.
Section 8.21  Severability:

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 8.22  Title of Parts and Sections:

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

Section 8.23  Entire Understanding of the Parties:

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the Loan, as of the Effective Date. The Parties anticipate entering into the Note, Deed of Trust, and Regulatory Agreement prior to funding of the Loan.

Section 8.24  Multiple Originals; Counterparts:

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts

SIGNATURES ON FOLLOWING PAGE
WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

COUNTY:
COUNTY OF MONTEREY, a political subdivision of the State of California

By: 
Jim Cook, Director, Economic Development

BORROWER:
South County Housing Corp., Inc., a California nonprofit public benefit corporation, its sole member

By: 
Denis Lalor, Executive Director

APPROVED AS TO FORM:
CHARLES MCKEE,
County Counsel

By: 
Kathryn Reimann, Sr. Deputy County Counsel
EXHIBIT A
CDBG Standard Agreement
EXHIBIT B

Legal Description of the Property

The land is situated in the State of California, County of Monterey, and is described as follows:

Real property in the unincorporated area of the County of Monterey, State of California, described as follows:

THAT PORTION OF LOTS C AND D OF LOT 4 OF THE RANCHO SAN VICENTE, IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED WITH THE FINAL DEGREE OF PARTITION, IN VOLUME 39, PAGE 1, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO A. CALETISEN, ET UX,Recorded in Volume 1593, Page 115, OFFICIAL RECORDS OF SAID COUNTY WITH THE NORTHEASTERLY LINE OF CALIFORNIA STATE HIGHWAY 101, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN VOLUME 1703, PAGE 401, OFFICIAL RECORDS; THENCE ALONG SAID HIGHWAY LINE,

(1) SOUTH 51° 32' EAST, 62.24 FEET (DESCRIBED "64.99 FEET" IN LAST SAID DEED) TO A 6 X 6 CONCRETE MONUMENT; THENCE

(2) ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 4,887 FEET, THROUGH AN ANGLE OF 4° 04' 30", AN ARC DISTANCE OF 347.57 FEET; THENCE

(3) NORTH 41° 58' 30" EAST, 437.0 FEET; THENCE

(4) NORTH 22° 15' WEST, 205.5 FEET; THENCE

(5) NORTH 77° 23' 10" WEST, 249.8 FEET TO THE EASTERLY CORNER OF SAID LAND OF CALETISEN; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND

(6) SOUTH 42° 39' 40" WEST, 441.3 FEET TO THE POINT OF BEGINNING.

APN: 257-031-005-000
## EXHIBIT C
Approved Development Budget

<table>
<thead>
<tr>
<th></th>
<th>State CDBG</th>
<th>Stemple LLC</th>
<th>Owner</th>
<th>Total</th>
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<tbody>
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<td>Owner Acquisition Equity</td>
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<tr>
<td>Seller Acquisition Loan</td>
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<td>Water System Improvements</td>
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<td>Wage Monitoring</td>
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<td>Title &amp; Legal</td>
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<td>Permits</td>
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<td>Activity Delivery</td>
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<td>Totals</td>
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</table>
**EXHIBIT D**

**CDBG MILESTONES, LOCAL LEVERAGE, AND GRANT FILE REQUIRED DOCUMENTS**

**Grant Expenditure Milestones**
BORROWER must meet grant expenditure milestones as set forth below:

- 50% of award within six months of the date of the Standard Agreement between the COUNTY and HCD
- 100% within 12 months of the date of the Standard Agreement between the COUNTY and HCD

If the expenditure milestones are not met, the COUNTY may disencumber any remaining funds sixty (60) days after the expiration date of the milestone.

**Documents Required by the COUNTY for CDBG Files**
The COUNTY requires BORROWER to submit to the COUNTY these documents, along with any other documents reasonably requested by the COUNTY, as soon as they become available:

<table>
<thead>
<tr>
<th>Procurement</th>
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<tbody>
<tr>
<td>- Small Purchase Method ($100,000 or less/consultation)</td>
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<td>- Competitive Sealed Bid (construction)</td>
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<td>- Competitive Proposal (over $100,000)</td>
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<tr>
<td>Non-Competitive Proposals/Sole Source</td>
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<tr>
<td>Letter to COUNTY summarizing justification</td>
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<tr>
<td>Documentation of sole source determination</td>
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<tr>
<td>Approval letter from COUNTY</td>
</tr>
</tbody>
</table>

**Wage Compliance**

- Wage Decision (found in contract/Subrecipient agreement)
- Certification of Understanding and Authorization
- Prevailing Wage Certification Form
- Employee Interviews
- Wage Restitution (if applicable)
- Weekly Payrolls with Statement of Compliance or Statement of Non-Performance
- Fringe Benefits
- Authorization for Deductions Form
- Employee Interviews

**Reporting**

- Program Expenditure Report
- Annual Grantee Performance Report
- Annual Section 3 Report
- Other reports as may be required by the Grant
CDBG AGREEMENT

by and between

THE COUNTY OF MONTEREY

And

SOUTH COUNTY HOUSING CORPORATION, INC.

(Camphora Highlands)
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<table>
<thead>
<tr>
<th>ACTIVITY</th>
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<th>DOCUMENTATION</th>
<th>PAGE(S)</th>
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PLANNING ACTIVITY DESCRIPTION FORMS – Planning Study #1

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### PLANNING ACTIVITY - Instructions

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<td>Budget Chart (Schedule 1)</td>
<td>Required</td>
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### 1. Allocation/Selection
(No more than two planning activities allowed per application)

- Economic Development (ED) Planning Activities only: 
  □ 1 study □ 2 studies
- Community Development (CD) Planning Activities only: 
  □ 1 study □ 2 studies
- ED & CD Planning Activities – 1 of each

### 2. Activity Titles and Funding Requested by Activity

**Activity Title** - Insert only one ED or CD activity title per line in this table, and indicate ED or CD, and funding amount requested. See sample list planning activity titles provided in Appendix Q.

<table>
<thead>
<tr>
<th>Planning Activity Title</th>
<th>ED or CD</th>
<th>Funding Requested for Planning Activities</th>
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<td>2.</td>
<td>ED □ CD □</td>
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**General Administration**

* GA may not exceed five percent (5%) of total funds requested

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<th>General Administration</th>
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</table>

**Grand Total Amount Requested** (Max. $100,000)

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<th>Grand Total Amount Requested</th>
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</table>

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<th>Approved Cash Match (per Resolution)</th>
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<td></td>
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</table>

| Total | $ |
### 4. Target Population Served

- [ ] Physically Disabled
- [ ] Persons with AIDS
- [ ] Youths
- [ ] Single Adults
- [ ] Single Men
- [ ] Single Women
- [ ] Families
- [ ] Farmworker
- [ ] Seniors
- [ ] Mentally Ill
- [ ] Veterans
- [ ] Victims of Domestic Violence
- [ ] Substance Abusers
- [ ] Dually-Diagnosed
- [ ] Homeless
- [ ] Other

### 5. Beneficiaries Served

<table>
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<td>Housing Acquisition</td>
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<td>Economic Development</td>
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</tr>
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</table>
2012 CDBG APPLICATION  
Planning & Technical Assistance (PTA)  
PLANNING ACTIVITY - Forms  

**Note:** Complete & attach one set of these Planning Activity Description Forms for each proposed Planning Activity.

1. Allocation:  ED ☑ CD ☐

2. Activity Title: Regional Cut Flower Shipping Consolidation Study

3. Amount Requested for Activity: $ 34,580

4. National Objective:
   A. For Community Development Allocation PTA activity, check one box indicating which National Objective this activity addresses. Explain and document how the activity will meet that objective.

   ☑ Benefit to Low- and Moderate-Income (Low-Mod) Individuals or Households

   Or, for the National Objective of Elimination of Slums and Blight, check the box below and immediately below it, describe and document how the activity will meet the National Objective of Elimination of Slums and Blight. Attach documentation of area or spot basis, and attach to this set of activity forms.

   ☐ Elimination of Slums and Blight:

   Describe how the activity will meet the National Objective: ______

   Supporting Documentation for Elimination of Slums and Blight provided on pages: ______

   B. Check the appropriate boxes below that describe how the proposed study will meet National Objective of Benefit to Low-Mod Individuals or Households:

   ☑ Limited Clientele - list the specific group(s) to be served: Adults employed as year-round farmworkers

   ☐ Income restricted – describe how final activity resulting from the study will be income restricted: ______

   ☐ Income survey or HUD Low Income Census data - attach full copy of proper documentation, including Census Track and Block Group maps, at the end of this activity description section.

   ☑ Jurisdiction-Wide  
   ☐ Targeted Area

   Supporting Documentation provided on pages: _____
5. Public Benefit (For ED PTA activities only) - Describe how the planning activity will lead to creation or retention of jobs by completing this study:

Over the last twenty years, California's share of the retail domestic cut flower market has been dramatically reduced. As one of the largest cut flower growing counties in the nation, Monterey County has seen a similar decline in market share and industry employment. There are approximately 2,500 jobs left in the cut flower industry in Monterey County. The proposed activity will seek to see if there are cooperative steps that local growers can take to reduce the cost of getting their product to the end user. This will improve their competitive position in the domestic cut flower market and allow them to better compete. The purpose of the proposed PTA study is to:

1) analyze current shipping trends to determine if local growers can benefit from consolidating their products locally before they are shipped to major trucking distribution centers in Oxnard, California;
2) attempt to quantify the benefits; and
3) lay out the requirements for a local consolidation facility.

The goal of the PTA study is to help the industry retain, and possibly add, jobs through improved transporation practices which would result in cost savings. Should these goals be achieved, the local flower growers could become more competitive within the flower industry which could lead to survival and even possible expansion. The benefit of a more competitive industry would be job retention and possible job growth. Without identification of cost savings which would allow growers to be more competitive in the market place, the industry could continue to lose market share and continue to contract resulting in loss of jobs.

6. Activity Description - Provide a complete narrative explaining the need for the study. Describe the scope of work and full process for completing the study with each of the key steps. Check the instructions to make sure you have provided all the required information.

The purpose of the PTA study is retention of jobs through assistance to the cut flower industry in Monterey County so that it can compete and survive as a dynamic component of Monterey County's economy. The study is needed to identify cost savings for growers in order for them to reverse a trend of the loss of both market share, businesses, and jobs. For the industry to survive in the global market place, it must identify cost savings so that it can become more competitive.

In 2011, the California Cut Flower Commission (CCFC) sponsored a study of the cut flower industry transportation practices. The study (Evaluation of Transportation Practices in the California Cut Flower Industry) was undertaken by the University of Southern California. The report highlighted the competitive advantages enjoyed by
cut flower growers in South America who ship and distribute product through a consolidated distribution facility in Miami, Florida. The use of a consolidated facility enables growers to negotiate lower distribution costs by consolidating multiple grower shipments, thereby maximizing loads on trucks and minimizing the number of partially loaded trucks hired by individual growers which results in lower shipping costs.

The 2011 Report concluded that the California cut flower industry could realize significant cost savings by establishing an industry-operated state-wide consolidation facility in Oxnard, California. Historically, flowers are shipped either by truck or air. Each grower has been responsible for arranging transportation of their product individually. In regard to ground transportation, flowers are shipped by private trucking firms either directly or through distribution facilities operated by trucking companies. If a facility is used, individual grower shipments arrive at the distribution facility, and the trucking company consolidates shipments from different growers into loads based on shared destinations. The southern California consolidation facility proposed by the CCFC would replace the multiple facilities operated by the major trucking companies. This would allow the industry to negotiate better nation-wide shipping rates for consolidated shipments made up of product from growers who have common destinations.

CCFC approached the County to prepare a similar evaluation for cut flower growers in Monterey County. As home to one of the greatest concentrations of cut flower growers in the United States, CCFC believes that Monterey County could realize similar savings by establishing a regional consolidation center that would collect shipments from growers in the region for transportation to either a state consolidation and distribution hub in Oxnard or directly. Savings realized by county growers would allow them to be more competitive with foreign growers and shippers.

In order to determine if a regional consolidation and shipping facility would benefit the local cut flower industry, the County is proposing to conduct a study similar to the 2011 State-wide study but that is oriented to a county regional area. The first step toward completing the PTA study will be surveying local cut flower growers in regard to their shipping practices. A key indicator in whether or not a shipping consolidation facility could be beneficial will be information on individual grower practices, specifically what they ship, how often, to where, and the costs. Based on the information collected from local growers, the potential benefits (cost savings to growers) of a regional shipping consolidation center can be quantified.

The scope and goals of the PTA study are to:

- Understand the current transportation practices of cut flower growers in Monterey County;
- Determine if a regional flower consolidation facility could reduce transportation costs and, if so, quantify the expected cost savings;
- Determine the best model for implementing a regional flower consolidation facility serving multiple growers, if the need is supported by the PTA study.
PLANNING ACTIVITY - Instructions

- Determine the physical requirements for a regional flower consolidation facility including, but not limited to, identifying the best location and size including the number of truck docks that would be needed at the facility.

A transportation consultant would be engaged through a procurement process to undertake the study. Growers in Monterey County would be identified by the County, CCFC, and other flower organizations. The consultant would interview the growers and gather shipping data to determine current costs and loads. The consultant would analyze the data and then undertake modeling for freight savings and proof of concept. If cost savings were indicated, the consultant would also use the data to determine the best location and size for a facility in Monterey County. The final report of the PTA study would be used by local cut flower growers to develop a local strategy for keeping the cut flower industry viable in Monterey County. It is hoped that, if the outcome of the report would indicate that a regional consolidation and shipping facility is an integral component to maintaining the long term sustainability of the floral industry, the report would catalyze the local growers to develop the facility. A future CDBG application may be submitted to assist with the construction of the facility if it is warranted.

The timeline for the PTA study would be to complete the procurement of the consultant within two months of the Standard Agreement date and complete the study within four to six months thereafter.

7. **Final Product Description** - Describe in detail each final product that will be produced from this planning activity:

The PTA study will result in a demand and financial feasibility report of a Monterey County consolidated shipping facility. It will provide research conclusions on: the analysis of current transportation practices by Monterey County cut flower farms and how they relate to their competitiveness in the marketplace; feasibility of transportation improvements; methods for cost reductions; and recommendations for achieving recommended transportation improvements for the Monterey County cut flower industry. The report will contain a brief, easy-to-read summary in non-technical language. Implementation of the PTA study could begin within two months of an executed Standard Agreement following procurement and should take four to six months to complete.

**Note:** All final products, including applications, must contain an acknowledgment of State CDBG funding on the front cover.

8. **Cost Reasonableness Documentation** – Attach documentation showing cost reasonableness of planning study being applied for. Indicate how scope of work, service area, and final product will require the amount of funding requested.

Supporting Documentation provided on pages: ______
9. Assistance to For-Profit Businesses - Is the study being conducted on a private for-profit business, developer or property owner?

☒ No, skip to number 10.
☐ Yes, state the full name of the private business/property owner and provide letters per instructions cited in #9 of the instructions for this application.

Name: ______

Attached Letters from Business on Pages: ______

10. Preparation of an Economic Development Plan - Is the applicant preparing an economic development plan?

☐ Yes ☒ No

Applicants requesting funds for the development or update of a local Economic Development Plan (EDP) are encouraged to consult with their ED program representative prior to submitting an application.
## 2012 CDBG APPLICATION
Planning & Technical Assistance (PTA)

### PLANNING BUDGET CHART - Forms

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<td>4. Data Coll Analysis</td>
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*Show cash match and tasks first to indicate match will be spent first.*
PUBLIC BENEFIT

DOCUMENTATION
California's cut flower growers have a significant economic impact on Monterey County, creating jobs and additional tax revenue that can be used to fund vital community programs.

A Look at the Economic Impact of Cut Flower Growers in Monterey County

The county's cut flower growers' expenditures create a ripple effect that generates jobs.

- 3,735 jobs are created as a result of spending by the county's flower growers.

The county's cut flower growers spending by the dollar:

- Nearly $391.5 million is the total economic impact in terms of business activity created by Monterey County cut flower growers.

- Nearly $153.7 million is the total amount growers spent in the county in 2007 and includes employment, labor income and indirect business taxes.

- More than $123.2 million in taxes will be created from increased business activity caused by cut flower growers in the county - critical funds that benefit the communities within Monterey County.

The California Cut Flower Commission represents growers in four districts, as shown here.

District 2 Board Commissioners:
- Chad Nelson, Eufuria Flowers, Nipomo
- Frank Srl, CallaCo, Watsonville

CCFC Executive Director:
- Kasey Cronquist, Carpinteria

A Look at Monterey County's Floral Industry

Monterey County's flower growers, wholesalers and retailers have a total impact of nearly $682.4 million on the local economy, in terms of business activity created by expenditures.

- This equates to nearly $1.9 million per day for every day of the year.

- To put this amount of money into perspective, if it were given to the people of Monterey County, every person would receive $1,600.

Monterey County's flower growers, wholesalers and retailers generate about 6,165 jobs in the county through their economic activity.

- This accounts for nearly 2.8% of Monterey County's entire 2007 civilian labor force.

- If these jobs were not created, the number of unemployed in the county could grow as much as 51.8%.

- The amount of money generated for additional labor - money that goes to people - averages nearly $814,700 per day. To put this amount of money into perspective, it equates to nearly $1,370 per person in the entire county labor force.

Monterey County's flower growers, wholesalers and retailers spent a combined total of more than $259.9 million in 2007.

- Of every dollar these businesses generate in revenue, they return more than 92 cents to the county's economy.

- The industry's economic activities generate nearly $92.2 million in additional taxes - or more than $252,720 every day of the year. These tax dollars help fund vital programs within the county.
## Agriculture Estimates
### CENTRAL COAST REGION
(Alameda, Contra Costa, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz)

### 2010 Benchmark

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<th>Oct-10</th>
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<td>TOTAL CROP PRODUCTION</td>
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<tr>
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### ORNAMENTAL FLORIST AND NURSERY PRODUCTS

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<th>Jan-10</th>
<th>Feb-10</th>
<th>Mar-10</th>
<th>Apr-10</th>
<th>May-10</th>
<th>Jun-10</th>
<th>Jul-10</th>
<th>Aug-10</th>
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<th>Oct-10</th>
<th>Nov-10</th>
<th>Dec-10</th>
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<tr>
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<td>SUPPORT ACTIVITIES FOR CROP AND ANIMAL PRODUCTION</td>
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<td>SOIL PREPARATION, PLANTING, CULTIVATING</td>
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<td>1,200</td>
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<td>5,800</td>
<td>7,000</td>
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<td>FARM LABOR CONTRACTORS AND CREW LEADERS</td>
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### MONTEREY COUNTY's ESTIMATED SHARE OF REGIONAL EMPLOYMENT

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<th>NAICS CODES</th>
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<th>Feb-10</th>
<th>Mar-10</th>
<th>Apr-10</th>
<th>May-10</th>
<th>Jun-10</th>
<th>Jul-10</th>
<th>Aug-10</th>
<th>Sep-10</th>
<th>Oct-10</th>
<th>Nov-10</th>
<th>Dec-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>111421, 111422</td>
<td>ORNAMENTAL FLORIST AND NURSERY PRODUCTS</td>
<td>2,253</td>
<td>2,367</td>
<td>2,564</td>
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<td>2,664</td>
<td>2,721</td>
<td>2,751</td>
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<td>2,393</td>
<td>2,308</td>
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Estimate of Ornamental Florist and Nursery Products employment in Monterey County based on Monterey County's prorata share of agricultural employment in the Central Coast Region.

Updated 10/6/2011

Industry detail may not add up to totals due to independent rounding.

### Agricultural Employment for Selected Counties

**Industry Employment & Labor Force - by MONTH**

**March 2010 Benchmark**

<table>
<thead>
<tr>
<th></th>
<th>Jan-10</th>
<th>Feb-10</th>
<th>Mar-10</th>
<th>Apr-10</th>
<th>May-10</th>
<th>Jun-10</th>
<th>Jul-10</th>
<th>Aug-10</th>
<th>Sep-10</th>
<th>Oct-10</th>
<th>Nov-10</th>
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<tr>
<td>Regional Total</td>
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<td>75,100</td>
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<td>84,000</td>
<td>82,400</td>
<td>80,000</td>
<td>75,500</td>
<td>63,900</td>
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**Monterey County Share of Region**

|                | 68%    | 70%    | 71%    | 77%    | 75%    | 74%    | 71%    | 70%    | 70%    | 70%    | 71%    |

**Sources:**

http://www.calmis.ca.gov/file/indhist/alamehws.xls
http://www.calmis.ca.gov/file/indhist/contrhws.xls
http://www.calmis.ca.gov/file/indhist/sallhws.xls
http://www.calmis.ca.gov/file/indhist/sanbehws.xls
http://www.calmis.ca.gov/file/indhist/sanfrhws.xls
http://www.calmis.ca.gov/file/indhist/sanmahws.xls
http://www.calmis.ca.gov/file/indhist/scrzhws.xls

**Accessed:** 2/24/12
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<td>700</td>
<td>758</td>
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<td>26,800</td>
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<td>3,525</td>
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<td>9,608</td>
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<td>44,500</td>
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65%       71%
Beneficiary Information

According to the Employment Development Department report on the following page, the average hourly wage in the ornamental floral and nursery products is $11.68 per hour, or $24,293 annually. Based on the State CDBG and HOME Table of 2012 Income Limits Effective February 9, 2012, this individual would be classified as a very low-income individual earning 50% area median income for a one-person household.
## CENTRAL COAST REGION
(Alameda, Contra Costa, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz)

### Estimates of Agriculture Average Hourly Earnings - 2010

<table>
<thead>
<tr>
<th>NAICS CODES</th>
<th>TITLE</th>
<th>Jan-10</th>
<th>Feb-10</th>
<th>Mar-10</th>
<th>Apr-10</th>
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<th>Jul-10</th>
<th>Aug-10</th>
<th>Sep-10</th>
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<th>Nov-10</th>
<th>Dec-10</th>
<th>Hourly Average</th>
<th>Annual Average</th>
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<td>11.81</td>
<td>11.76</td>
<td>11.82</td>
<td>11.68</td>
<td>11.66</td>
<td>11.67</td>
<td>11.89</td>
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<td>12.01</td>
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<tr>
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<td>FRUITS AND TREE NUTS</td>
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<td>10.67</td>
<td>10.31</td>
<td>10.48</td>
<td>10.80</td>
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<td>11.19</td>
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<tr>
<td>111331, 111336, 111339</td>
<td>DECIDUOUS TREE FRUITS</td>
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<td>10.94</td>
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<td>11.21</td>
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<td>111211</td>
<td>GREENHOUSE, NURSERY, AND FLORICULTURE PRODUCTION</td>
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<td>12.01</td>
<td>12.22</td>
<td>12.45</td>
<td>12.96</td>
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<td>12.06</td>
<td>12.22</td>
<td>12.03</td>
<td>12.23</td>
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### Additional Notes
- **FOOD CROPS GROWN UNDER COVER**
- **OTHER CROP FARMING**
- **TOTAL ANIMAL PRODUCTION**
- **BEEF CATTLE EXCL. FEED LOTS**
- **OTHER LIVESTOCK**
- **SUPPORT ACTIVITIES FOR CROP & ANIMAL PRODUCTION**
  - Soil Preparation, Planting, Cultivating
  - Crop Harvest Prim Machin
- **POSTHARVEST CROP ACTIVITIES EXCL. COTTON GINNING**
- **SUPPORT ACTIVITIES FOR ANIMAL PRODUCTION**
- **FARM LABOR & MANAGEMENT**
- **FARM LABOR & LEADERSHIP**
- **FARM MANAGEMENT SERVICES**

Note: Average Hourly Earnings are not produced for Forestry and Fishing, Hunting, & Trapping Industries

Updated 2/1/2011

The County prepared a draft Request for Proposals to get cost estimates for conducting the proposed evaluation and distributed it to three consultants with experience in this industry. Two consultants responded to the draft RFP. Both consultants bill at approximately $160 per hour. The third consultant declined to provide any information or respond to the draft RFP.

**Vendor 1 Proposal**

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<thead>
<tr>
<th>Step</th>
<th>Min Hours</th>
<th>Max Hours</th>
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<tbody>
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<td>Data Collection and Cleaning</td>
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<tr>
<td>Analysis of Data to Concept</td>
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<td>15</td>
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<tr>
<td>Presentation of Analysis and Concept</td>
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<td>10</td>
</tr>
<tr>
<td>Modeling for freight savings and proof of concept</td>
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<td>36</td>
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<td>Presentation of Modeling Results</td>
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<tr>
<td></td>
<td><strong>144</strong></td>
<td><strong>201</strong></td>
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</tbody>
</table>

Vendor 1 fees are hourly charges billed in fifteen-minute increments as follows:
- Project or Technology Coach at $160.00/hour

Vendor 1 estimates that will take approximately minimum 144 hours of work or $23,040 and maximum 205 hours of work or $32,800.

**Vendor 2 Proposal**

<table>
<thead>
<tr>
<th>A. Gather and Analyze the current transportation processes and costs</th>
<th>5-6 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Determine potential cost savings from a regional consolidation facility</td>
<td>2-3 days</td>
</tr>
<tr>
<td>C. Determine the best/optimal model for implementation of a consolidation facility</td>
<td>2-4 days</td>
</tr>
<tr>
<td>D. Determine the physical requirements for a facility</td>
<td>2-3 days</td>
</tr>
<tr>
<td>E. Prepare and present a report</td>
<td>1 day</td>
</tr>
<tr>
<td>Total</td>
<td>12-17 work days</td>
</tr>
</tbody>
</table>

Vendor 2 estimates costs of around $1300 per day, for a total budget of approximately $16,000 to $22,000.

Note: the number of days listed are working days not waiting days. So, task A may take 5-6 work days but will likely cover 2-3 weeks of calendar time.
JURISDICTION

ORGANIZATION AND

EXPERIENCE
DUTY STATEMENTS

Economic Development Director (ED Director) - Jim Cook
This position is authorized by the County Board of Supervisors to execute all grant agreements, amendments, reports and other documents. The Economic Development Director is responsible for the overall policy direction within the office and ensuring that the County CDBG funds support County policies to serve low- and moderate-income individuals in the County.

Assistant Director of Redevelopment and Housing (AD) - Marti Noel
This position provides day to day oversight of all activities. With regard to the CDBG program, the AD will supervise implementation of the program to ensure that it is completed in a timely manner consistent with the grant terms and conditions.

Department Finance Manager (DFM) - Carol Bouchard
This position is responsible for tracking all grant expenditures, ensuring that financial transactions are correctly posted to the County’s financial management system and reviewing all grant reports and draw requests before the ED Director signs them. The DFM is also the primary position responsible for ensuring that all CDBG expenditures are correctly categorized and reported in the County’s Single Audit. The DFM maybe assisted by other accounting staff as necessary.

Housing Program Manager (HPM) - Jane Royer Barr
This position is responsible for the day to day management of the grant. These duties include ensuring that the County implements the grant in compliance with all terms and conditions, following the County’s established procurement process, reviewing contractor work products and invoices, community relations, and preparing grant reports for the DFM to review and ED Director to sign. The HPM may be assisted by other Housing and Redevelopment staff as needed.

Redevelopment and Housing Analyst (RHA) - Darby Marshall
This position will be responsible for preparation of all program materials and documents for review by the HPM before they are submitted to the DFM and/or ED Director, or circulated for comments.
Resume
Jim Cook

EXPERIENCE:

Jim Cook has worked for Monterey County for over 25 years. In 2011, he was appointed as the Director of Economic Development. Prior to that, he was the Director of the Redevelopment and Housing Office for twelve years. He has previously served as the LAFCO Executive Officer and Interim Director of General Services for Monterey County. Prior to working for Monterey County, Mr. Cook worked for San Diego County LAFCO.

In his current capacity as the Director of Economic Development, he is responsible for an annual budget in excess of $25 million and has a current staff of 12. The Economic Development Department is responsible for the County’s economic development policy and implementation through the Federal Workforce Investment Act (WIA); the County’s affordable housing programs; and a variety of community development efforts. The Economic Development Department is also responsible for applying for and managing grants for housing and community infrastructure activities including CDBG, HOME, EDA, NSP and WIA grants. Since 2000, the RHO has managed a total of 22 grants which have funded new housing construction, housing rehabilitation, first time home buyer programs, foreclosure prevention, economic development activities, community facilities, and infrastructure improvements.

Mr. Cook has strong program and project management capabilities in addition to being a skilled strategic thinker. Mr. Cook has developed a focused and comprehensive approach and vision related to community improvement and redevelopment efforts. Mr. Cook has an extensive background in financial planning and management which has resulted in innovative funding strategies that successfully leverage limited County resources.

EDUCATION: Masters in Public Administration, San Diego State University B.A., Economics, California State University Fresno
Resume
Marti Noel

EXPERIENCE:

2007 - Present
Assistant Director
Monterey County Redevelopment and Housing Office

Assists the Director in managing the Redevelopment and Housing Office (RHO), including three active redevelopment project areas, the County's affordable housing programs, and a variety of community development efforts. The RHO is also responsible for applying for and managing grants for housing and community infrastructure activities, including CDBG, HOME, EDA and NSP grants. Since 2000, the RHO has managed a total of 18 grants which have funded new housing construction, housing rehabilitation, first time home buyer programs, foreclosure prevention, economic development activities, community facilities, and infrastructure improvements. Oversees the Housing Advisory Committee and Redevelopment Citizen Advisory Committees. Serves as Project Manager for the more complicated affordable housing and redevelopment activities such as preparation of the Housing Element and community planning efforts.

2001 - 2006
Senior Analyst
Monterey County Redevelopment and Housing Office

Served as lead staff for the preparation of a revised Inclusionary Housing Ordinance, the Housing Element, the Castroville Community Plan, entitlement approvals for affordable housing projects, and various grant application preparation and management activities.

1994 - 2001
Senior Project Manager
Pacific Municipal Consultants (PMC)
Monterey, CA

Provided contract staff services related to planning and environmental review to various public agencies in the region. Services included project review, preparation of planning and environmental documents, and general project and program management activities.
1993-1994  Project Manager
             Wildan Associates
             Pleasanton, CA

             Managed various planning and environmental review projects
             primarily for public agencies.

1991 - 1993  Planning Consultant
             San Diego, CA

             Provided contract planning services to the City of Escondido.
             Assignments included managing the preparation of a large
             specific plan, an infrastructure and facilities master plan, and a
             significant sphere of influence amendment.

1983 - 1991  Project Manager
             Nolte and Associates, Engineering and Planning Consultants
             San Jose, CA

             Managed a variety of land development, infrastructure and
             environmental projects. Prepared master plans, specific plans,
             and environmental documents.

1982-1983  Contract Planner
             City of Redwood City, CA

             Assisted in the preparation of a downtown master plan and
             revitalization study. Assisted with various current planning efforts.

1979 - 1981  Assistant Planner
             County of San Luis Obispo, CA

             Worked with the Development Review Division processing
             applications, including preparing staff reports and environmental
             documents.

1978 -1979  Assistant Landscape Architect/Planner
             Site and Environmental Design Services
             San Luis Obispo, CA

             Assisted in the preparation of Environmental Impact Reports, site
             plans and landscape plans for commercial, industrial and
             residential projects.

EDUCATION: B.S., California Polytechnic State University San Luis Obispo,
             Landscape Architecture
Resume

Jane Royer Barr

EXPERIENCE:

2009- Present  
Housing Program Manager  
Monterey County Redevelopment and Housing Office

Manages County's affordable housing programs including the Inclusionary Housing Program, Neighborhood Stabilization Program, and First Time Home Buyer Program. Oversees grant application preparation and management, including grant reporting. Evaluates funding requests, prepares funding documents, and manages implementation activities related to affordable housing projects. Oversees monitoring activities related to grants, loans, and restrictions. Assists in staffing the County's Housing Advisory Committee and Housing Loan Committee. Oversees the preparation of housing related documents including the Housing Allocation Manual, First Time Home Buyer Manual, and Program income Reuse Plans.

2005 - 2009  
Senior Project Manager  
Mid-Peninsula Housing Coalition, Watsonville, CA

Identified and negotiated acquisition of sites. Evaluated feasibility and oversaw development of affordable housing projects in Santa Cruz and Monterey counties. Conducted financial analysis and planning. Coordinated loan applications to public and private lending agencies. Served as project liaison with all levels of government officials, lenders, and construction personnel. Managed new construction of Via del Mar, a 40-unit family development in downtown Watsonville and Parkhurst Terrace, a 68 unit project in Aptos.

1996-2005  
Project Manager  
Mid-Peninsula Housing Coalition, Watsonville, CA

Managed acquisition and rehabilitation of a 21-unit SRO & one-bedoom property in Santa Cruz. Co-managed acquisition and demolition/reconstruction of a farmworker camp in Watsonville. Managed acquisition of two trailer parks for conversion to permanent mobile-home parks. Structured and implemented business plans for the rehabilitation and return to public use of two military housing developments of 352 and 192 units. Managed
acquisition of 43 acres for landbanking in northern Monterey County.

1991-1996: Project Analyst
Housing Authority of the County of Santa Cruz

Prepared grant applications and managed grants. Performed financial analysis and project administration, including placement of Red Cross funds for replacement of low-income housing lost in earthquake. Monitored bond and HUD compliance.

1981-1990: Real Estate Investment Consultant
Independent Contractor

Provided appraisal (including current valuation of pension fund portfolios), property management, packaging and marketing of properties and trusts services and special projects for The Landsing Corp., Alquest Property Management, Kurt Reitman & Associates, and Crocker Real Estate Investment Group.

1974-1980 Vice President/Consulting
The Landsing Corp.

Started as a research assistant and culminated as V.P. for outside consulting and appraisals, feasibility studies and financial analysis of all investment properties. Managed division of 6 people with budget of $2 million.

EDUCATION: B.A., Smith College, American Studies with a concentration in Economics
American Institute of Real Estate Appraisers (all courses required for M.A. I. Designation)
Darby G. Marshall
(831) 755-5391
Email: marshalld@co.monterey.ca.us

Education
University of San Francisco
Master of Public Administration
Course work included: Economics & Finance for Public Managers; Management Planning & Control; Public Policy Analysis; Public Program Evaluation and Strategic Planning & Implementation.

Holy Names College, Oakland California
Bachelor of Arts in Philosophy and International Relations

Experience
County of Monterey, Resource Mgmt Agency – Office of Housing and Redevelopment
Redevelopment and Housing Analyst
2004-Present

- Responsible for developing five year planning documents for redevelopment areas.
- Analyze revenue projections and develop project implementation schedules that tie the Agency and community's objectives to available revenues.
- Work with various County departments (County Counsel, Environmental Health, Planning, Public Works, etc.) to develop and implement projects.
- Coordinated the transition to project based budgeting.
- Monitor the Agency's $10 million+ loan portfolio to ensure that borrowers are making agreed payments and make recommendations on loan restructuring when appropriate.
- Serve as Assistant Public Information Officer in County Emergency Operations Center when activated

County Administrative Office – IGA/ERP Office of Economic Development
Associate Administrative Analyst
1997-2004

- Responsible for budget development, grant writing and administration of staffing the overall Economic Development Commission.
- Prepared four separate budgets administered by the Office of Economic Development and developed and monitored a monthly financial tracking system to ensure that programs remained within budget; budgets included revenue and expenditures from the County General Fund and various state and federal grant programs.
- Responsible for a variety of projects and programs administered by the Office of Economic Development including ensuring that all grant requirements were met; grant and county
procurement standards were followed; and contracts were properly documented.

- Responsible for contract administration; competitively selecting contractors; and developed new programs to encourage economic development countywide.
- Presented complex issues and recommendations to the Board of Supervisors and community groups
- Developed and maintained the Office of Economic Development website


Lead Research Analyst for the California Cooperative Occupational Information System (CCOIS)

- Developed and administered the program budget, as well as planned and coordinated all aspects of an ongoing occupational research project and supervised a staff of two research assistants.
- In addition to the CCOIS program, completed a number of economic studies to support the PIC and local economic development efforts; these studies included a report on medical industry staffing patterns, educational and employment trend analysis for Fresno County.

Alameda County Economic Development Program 1991-1993

Labor Market Analyst for the CCOIS 1992-1993

Research Intern 1991-1992

- Developed and implemented a computer bulletin board (BBS) to enhance Alameda County's economic development program by providing immediate access to frequently requested economic data.
- Compiled and organized all data for the BBS as well as developed a tracking system to manage economic data and profile system users, before widespread use of the internet.
- Worked with community representatives, City and County staff to determine economic development marketing requirements.
- Conducted an economic impact analysis of proposed Bay Area Air Quality Management District regulations, including the development of a survey instrument, data collection and analysis.
OTHER DOCUMENTATION

ECONOMIC IMPACT OF THE CUT FLOWER INDUSTRY ON THE STATE OF CALIFORNIA (JUNE 2008)

CALIFORNIA CUT FLOWER COMMISSION TRANSPORTATION PROJECT (9/16/11)
THE ECONOMIC IMPACT OF THE CUT FLOWER INDUSTRY ON THE STATE OF CALIFORNIA

EXECUTIVE SUMMARY

In June 2008, Fleishman-Hillard, Inc. commissioned Tootelian & Associates to conduct an economic impact study of the cut flower industry in California on behalf of the California Cut Flower Commission (CCFC). The purpose was to measure the economic benefits growers, wholesalers, and retail florists provide to the State of California.

An economic analysis consists of estimating the benefits an entity’s or group of entities’ expenditures provide to businesses, residents, and government within a defined geographic area. The economic impact is computed in terms of the extent to which the operations of cut flower growers, wholesalers, and retail florists generate additional business activity, employment, personal income, and taxes.

Based on the analyses conducted, the following summary points and conclusions appear to be warranted:

- Cut flower growers, wholesalers, and retail florists spent a combined total of nearly $3.8 billion in 2007. Of every dollar these businesses generate in revenue, they return more than 92 cents to the California economy.

- Cut flower growers, wholesalers, and retail florists employ approximately 14,580 people. Among growers, this includes nearly 690 in management positions. Women comprise about 27.3% percent of the labor force for growers, or more than 2,065 people.

- The total economic impact in terms of business activity created by cut flower growers’, wholesalers’, and retail florists’ expenditures in California is nearly $10.3 billion. This equates to nearly $28.2 million per day for every day of the year. Shown below is the impact this has each sector on an average daily basis:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Daily Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>$2,498,242</td>
</tr>
<tr>
<td>Wholesaling</td>
<td>$3,363,777</td>
</tr>
<tr>
<td>Retailing</td>
<td>$7,115,837</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$3,551,052</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$3,722,468</td>
</tr>
<tr>
<td>Administrative</td>
<td>$371,929</td>
</tr>
<tr>
<td>Education</td>
<td>$154,203</td>
</tr>
<tr>
<td>Health</td>
<td>$1,142,116</td>
</tr>
<tr>
<td>Arts, entertainment, recreation</td>
<td>$355,901</td>
</tr>
<tr>
<td>Accommodations, food services</td>
<td>$838,542</td>
</tr>
<tr>
<td>Other</td>
<td>$857,522</td>
</tr>
<tr>
<td>Farming</td>
<td>$2,248,684</td>
</tr>
<tr>
<td>Federal</td>
<td>$422,309</td>
</tr>
<tr>
<td>State and local</td>
<td>$1,549,525</td>
</tr>
<tr>
<td>Total</td>
<td>$28,192,107</td>
</tr>
</tbody>
</table>
To put this amount of money into perspective, if it were given to the people of California, every person in the State would receive $272.

- The amount of money generated for additional labor—money that goes to people—averages nearly $12.6 million per day.

To put this amount of money into perspective, it equates to nearly $252 per person in the entire California labor force whether they are employed or not.

- The economic activities of cut flower growers, wholesalers, and retail florists create about 121,950 jobs in California.

To put this into perspective, this accounts for nearly 0.7% of California’s entire civilian labor force in 2007. Since civilian unemployment in California in June 2007 was 979,200 people, this job creation by cut flower growers, wholesalers, and retail florists must be considered significant in not expanding the unemployment rate. If these jobs were not created, the number of unemployed in California could grow as much as 12.5%.

- The economic activities of cut flower growers, wholesalers, and retail florists also generate nearly $730.1 million in additional taxes—or more than $2.0 million every day of the year. These tax dollars help fund programs within California.

- The total economic impact in terms of business activity created just by cut flower growers’, wholesalers’, and retail florists’ expenditures for salaries and wages is nearly $3.3 billion. This equates to more than $9.0 million per day for every day of the year.

- Cut flower growers, wholesalers, and retail florists have a combined $2.6 billion in assets in the State. Growers have nearly $854.9 million, wholesalers have more than $546.1 million, and retail florists have more than $1.2 billion in assets committed to operations in California. This represents large asset holdings within the State.

Overall, cut flower growers, wholesalers, and retail florists have a significant economic impact on the State of California. Their operations generate business activity in a wide variety of economic sectors. In turn, this creates jobs, results in additional income for residents of the State, and creates additional tax dollars from the increased business activity that can be used by the State to fund vital community programs.

**Summary of Models**

Two economic impact models were used in this analysis. The IMPLAN model was used to compute the overall impact, and a specially designed model was created to help define expenditure levels to use in the IMPLAN model. For more information on the IMPLAN model used to compile the analysis, please refer to the methodology section of this report.
The benefit of using input-output models is that they help evaluate the effects of industries on each other based on the supposition that industries use the outputs of other industries as inputs. Some other models measuring economic activity examine only the total output or employment of an industry, and not the dual causality that may run both ways. The use of an input-output model provides a much more comprehensive view of the inter-related economic impacts. It examines economic relationships between businesses and between business and consumers. This impact analysis then measures changes in any one or several economic variables on an entire economy.

The total direct, indirect, and induced benefits arising due to the multiplier effect are presented in four ways:

- **Output** accounts for total revenues including all sources of income for a given time period for an industry in dollars. This is the best overall measure of business and economic activity because it is the measure most firms use to determine current activity levels.

- **Employment** demonstrates the number of jobs generated and is calculated in a full-time equivalent employment value on an annual basis.

- **Indirect Business Taxes** consist of property taxes, excise taxes, fees, licenses, and sales taxes paid by businesses. While all taxes during the normal operation of businesses are included, taxes on profits or income are not included.

- **Labor Income** includes all forms of employee compensation paid by employers (e.g., total payroll costs including benefits, wages and salaries of workers, health and life insurance, retirement payments, non-cash compensation), and proprietary income (e.g., self employment income, income received by private business owners including doctors, lawyers).

To provide data for the analysis, the analyst developed a “feeder” economic model that specifically addresses the variables and the critical issues. This model not only provides the data used in the analysis, but brings the economic impact down to a more understandable level to assess the impact in more detailed ways.
Evaluation of Transportation Practices in the California Cut Flower Industry

Report prepared by:

Maged Dessouky, James E. Moore II, Alejandro Toriello and Christine Nguyen

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University of Southern California

National Center for Metropolitan Transportation Studies (METRANS)
University of Southern California

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Texas Southern University

JiYoung Park

School of Architecture and Planning
State University of New York at Buffalo
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Executive Summary

The California Cut Flower Commission (CCFC) is a state government agency created to promote California-grown cut flowers and foliage. As a state agency, the Commission is responsible for representing all of California’s cut flower and greens farms, approximately 250. California flower farmers’ largest competition comes from South American growers, particularly Colombian and Ecuadorian, who have benefited from the 1991 Andean Trade Preference Act. The law cut United States import tariffs from South American nations on a range of goods and fueled the growth of the continent’s cut flower industry. In the past two decades, Colombia has captured 75% of the U.S. flower market. The market share loss is due in part to a cross-docking and distribution facility in Miami shared by South American growers: A single point of consolidation allows them to negotiate favorable trucking delivery rates based on the magnitude of their volume. Last year, a new distribution center opened in Los Angeles for South American growers, posing further threat to California flower farmers’ market share. Moreover, plans are underway for other South American flower distribution facilities across the central U.S., in locations such as St. Louis and Houston. Thus, a consolidation center is critical for the domestic industry to cut transportation costs and allow the $10.3 billion per year cut flower industry to remain competitive in the face of low-priced imports that are eroding California’s cut flower market share.

This report evaluates the California cut flower industry’s current transportation practices and investigates the feasibility and cost of establishing a shipping consolidation center in Oxnard to offset the competitive advantage of South American growers. We use historical sales data provided by farms represented by the CCFC and optimization methodology to estimate the annual cost of California farmers’ current transportation practices and compare it to an estimate assuming consolidation occurs. We perform extensive scenario testing using statistically justified extrapolations of the available sales data to predict the cost savings of a consolidation center based on different levels of participation by California flower farms.

A modeling run with approximately 50% participation from California farms shows a 22.8% decrease in annual transportation costs, amounting to approximately $6.7M, when shipping is
consolidated. As participation increases, the savings increase, both in absolute numbers and as a percentage of the total. For example, if approximately 80% of California farms participate, we estimate a 34.8% cost decrease; if all California farms use the proposed consolidation center, the analysis estimates $20M in annual savings.

These potential cost savings provide California farmers with the means to be considerably more competitive in the U.S. markets currently served by Colombian and Ecuadorian flowers imported through Miami and then shipped on to domestic locations. Our analysis of estimated cut-flower trade flows originating from Miami shows that the magnitudes of these flows are relatively sensitive to shipping cost, controlling for market size. In the Miami case, a 1% decrease in the shipping cost is associated with a 2.9% increase in trade-flow volume. California’s farmers stand to benefit from this sensitivity if they can reduce their own transportation costs.

We recommend CCFC or a purposefully established farmer cooperative have overall management of a shipping consolidation facility and accompanying call center. They should take a phased approach to implementation, consisting of integrating new processes with selected regions and its customers in steps.